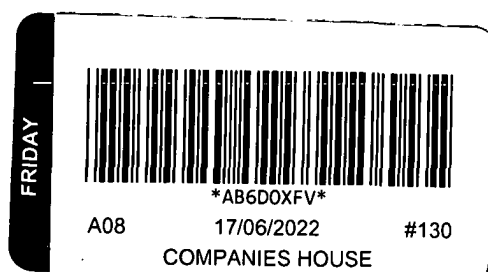


Registered number: 00941064

CAPITAL TRUST LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



Capital Trust Limited

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Capital Trust Limited

DIRECTORS' REPORT**FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their Annual Report on the affairs of the company together with the Strategic Report, the financial statements and auditor's report for the year ended 31 December 2021.

Results and Dividends

The audited financial statements for the year ended 31 December 2021 are set out on pages 11 to 24. The directors do not recommend the payment of a dividend (2020: Nil).

Directors and Directors' Interests

The directors who served during the year are as shown below:

B F Aburdene (Chairman)
O Aburdene (Chief Executive)
G Hodgson
F Reynolds

All the directors held office throughout the year to the date of this report. Ms. O B Aburdene has an interest of 1,500,000 (2020: 1,500,000) shares that represent 50% (2020: 50%) of the share capital of the company's holding company, Capital Trust Holdings Inc., which is incorporated in the British West Indies. No director had any other interest which is required to be disclosed under the terms of the Companies Act 2006.

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report, the Strategic Report 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 laws), including FRS102 '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 and 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Capital Trust Limited

DIRECTORS' REPORT (continued)

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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Grant Thornton UK LLP is to continue in office and a resolution, in accordance with Section 489 of the Companies Act 2006, to confirm their reappointment will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD



Guy Hodgson

Date **27 April 2022**

Capital Trust Limited**STRATEGIC REPORT****FOR THE YEAR ENDED 31 DECEMBER 2021****Principal Activities**

The company's principal activities are financial consultancy, real estate advisory and other services provided to international investors.

In 2021 market conditions remained challenging and while the company continued to seek attractive commercial property acquisitions within the UK, low availability and high demand meant that pricing levels were unattractive to the company's clients. As a result of underlying market conditions the company and its investors looked to amend their approach which resulted in a number of assets being refinanced with new third party debt providers. The company's advisory role in these refinances resulted in new fee income that is reflected as one-off income in the profit and loss account.

Covid-19 continued to bring a degree of uncertainty into the market both from an operational and transactional perspective that impacted the business during the year, although the company has seen the impact reduced with a return to working practices more in line with pre-Covid operations. The Company also continued to broaden its real estate advisory mandate and continued to seek opportunities in the United States.

In November 2021 the company signed an 18-month agreement to occupy serviced office accommodation with a plan to review the long-term options at the end of the agreement. This arrangement is considered the most cost-effective way of transitioning the period until markets settle whilst providing fixed office accommodation from which the company can successfully trade. This arrangement continues to provide large cost savings over historic solutions.

The company made a loss before tax of £28,801 for the year ended 31 December 2021 (2020 – profit before tax of £108,667), which the directors consider satisfactory in the circumstances.

Key performance indicators

Income Analysis	2021	2020	2019
	£	£	£
Fund Management Fees	100,000	120,492	287,310
Corporate Finance and Advisory Fees, and Income from Affiliates	1,009,890	855,944	922,469
Other Operating Income	94,219	708,448	300,499
Interest receivable	12,741	26,319	24,722
Change in fair value of Investments	(33,139)	(144,863)	-
Total Income	1,183,711	1,566,340	1,535,000

Return on capital employed (1)	-1.70%	6.38%	-17.15%
Net Profit Ratio (2)	-0.55%	7.20%	-15.00%

Notes

1. Return on capital employed = Net profit before taxation as a percentage of shareholder's funds.
2. Net Profit ratio = Profit after taxation as a percentage of Total Income.

Capital Trust Limited

Principal risks and uncertainties facing the company

The current market remained impacted by both the UK's exit from the European Union and Covid-19 in the United Kingdom and still weak global economy is the principal risk facing the company. Such a situation makes it more difficult to attract investors to new funds and investment opportunities in general although the directors are confident that the strength of the prime real estate market will lead to greater opportunity. This, however, is countered by the weight of money chasing good quality assets which makes stock acquisition highly competitive. The directors mitigate this risk by continuing to seek off market opportunities where they feel value is achievable.

The retention of the company's Financial Conduct Authority registration and retaining key personnel are also important to the continued successful operation of Capital Trust Limited.

COVID 19

The Company continued with its policy of working within Government guidelines during the year. All administrative activity has continued as has the commercial activity of the business with a cloud-based IT system being introduced that has meant working from home has been possible with minimal loss of productivity.

New business opportunities are currently being actively sought and evaluated and the company has a strong pipeline. As restrictions are lifted the directors see opportunities to invest where value may be achieved.

As a result of the virus and other external factors the directors have continued to review the current and future cash requirements of the company and have modelled on a worst case and likely case scenario. The outcome of both models mean that the directors are confident that the company has sufficient cash reserves to remain operating for the foreseeable future.

ON BEHALF OF THE BOARD



Guy Hodgson

Date 27 April 2022

Capital Trust Limited

Independent auditor's report to the members of Capital Trust Limited**Opinion**

We have audited the financial statements of Capital Trust Limited (the 'company') for the year ended 31 December 2021, which comprise of the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

1.1.1 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

1.1.2 Conclusions relating to going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Capital Trust Limited

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

1.1.3 Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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

1.1.5 Matter on which we are required to report under the Companies Act 2006

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 directors' report.

1.1.6 Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies 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.

Capital Trust Limited

1.1.7 Responsibilities of directors for the financial statements

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

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

1.1.8 Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors, management. We determined that the most significant laws and regulations were Financial Services and Markets Act 2000 (FSMA 2000) legislation and those that relate to the financial reporting framework, being United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006, together with UK tax legislation and the listing rules of the Financial Conduct Authority (the 'FCA').
- We enquired of the directors and management including legal and risk to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's board meetings, inspection of the breaches register and inspection of legal and regulatory correspondence.

Capital Trust Limited

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation; and
 - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
- knowledge of the industry in which the Company operates; and
- understanding of the legal and regulatory frameworks applicable to the Company.

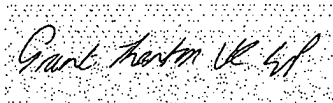
In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Company's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
- the rules and interpretative guidance issued by the Financial Conduct Authority applicable to the Company and the scope of its authorisation

Capital Trust Limited

1.1.9 Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Pearson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

27 April 2022

Capital Trust Limited

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	5a	1,109,890	976,436
Other operating income	5b	73,821	589,904
TOTAL INCOME		1,183,711	1,566,340
Operating expenses		(1,177,728)	(1,318,952)
OPERATING PROFIT/(LOSS)		5,983	247,388
Interest receivable and similar income		357	7,951
Change in fair value of investments		(33,139)	(144,863)
Interest payable and similar charges		(2,002)	(1,809)
PROFIT/(LOSS) BEFORE TAXATION	6	(28,801)	108,667
Taxation	8	22,246	(5,707)
PROFIT/(LOSS) AFTER TAXATION		(6,555)	102,960
LOSS ATTRIBUTABLE TO THE SHAREHOLDERS FOR THE FINANCIAL YEAR	15,16	(6,555)	102,960

There have been no changes in the continuing activities of the company.

The accompanying notes on pages 14 to 23 are an integral part of the financial statements.

Capital Trust Limited

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<u>Non-current Assets</u>			
Tangible fixed assets	10	2,638	5,105
Investments	11	679,420	1,075,006
		<u>682,058</u>	<u>1,080,111</u>
<u>Current Assets:</u>			
Debtors -			
amounts falling due within one year	12	851,328	865,962
Cash at bank and in hand		716,909	419,618
		<u>1,568,237</u>	<u>1,285,580</u>
Creditors -			
amounts falling due within one year	13	(552,319)	(661,160)
Net Current Assets		<u>1,015,918</u>	<u>624,420</u>
Total Assets less Current Liabilities		<u><u>1,697,976</u></u>	<u><u>1,704,531</u></u>
Net assets		<u><u>1,697,976</u></u>	<u><u>1,704,531</u></u>
 CAPITAL AND RESERVES			
Called-up share capital	14	1,500,000	1,500,000
Profit and loss account	16	197,976	204,531
EQUITY SHAREHOLDERS' FUNDS	15	<u><u>1,697,976</u></u>	<u><u>1,704,531</u></u>

The accompanying notes on pages 14 to 23 are an integral part of the financial statements.

The financial statements were approved by the board of directors on

Date: 27 April 2022

and signed on its behalf by:

Guy Hodgson

Guy Hodgson – Director

Registered number: 00941064

Capital Trust Limited

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the financial year before taxation		(28,801)	108,667
Adjustments for:			
Depreciation of tangible asset		4,079	7,687
Change in fair value of investments		33,139	144,863
(Increase)/Decrease in trade and other debtors		42,360	(62,738)
Increase/(Decrease) in trade and other creditors		(62,610)	(207,592)
Interest payable		2,002	1,809
Interest receivable		(357)	(7,951)
Exchange difference		-	6,947
Net cash from operations		(10,186)	(8,308)
Net income taxes received/(paid)		(1,713)	8,995
Net cash generated from operating activities		(11,899)	687
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(1,612)	(6,097)
Interest receivable		357	7,951
Purchase of investments securities		-	-
Net cash from investing activities		(1,255)	1,854
CASH FLOWS FROM FINANCING ACTIVITIES			
Sale of investment securities		362,447	-
Interest payable		(2,002)	(1,809)
Covid loan		(50,000)	50,000
Net cash used in financing activities		310,445	48,191
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		297,291	50,732
Cash and cash equivalents at the beginning of year		419,618	368,886
Cash and cash equivalents at the end of the year		716,909	419,618

Capital Trust Limited

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called-up share capital £	Retained earnings £	Total £
At 1 January 2020	1,500,000	101,571	1,601,571
Profit for the year	-	102,960	102,960
Total comprehensive profit for the year	-	102,960	102,960
At 31 December 2020	1,500,000	204,531	1,704,531
At 1 January 2021	1,500,000	204,531	1,704,531
Loss for the year	-	(6,555)	(6,555)
Total comprehensive loss for the year	-	(6,555)	(6,555)
At 31 December 2021	1,500,000	197,976	1,697,976

Capital Trust Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**1. COMPANY INFORMATION**

Capital Trust Limited is a company domiciled in England and Wales, registration number is 00941064. Capital Trust Limited is limited by shares. The registered address is 48 Dover Street W1S 4FF.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

a) Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In light of the Covid-19 outbreak this review has been enhanced to include the following:

- Detailed analysis of all income and an assessment of the likelihood of it materialising.
- Sensitivity analysis on a range of outcomes and the likely impact on cash reserves.
- Detailed review of the company's cost base and impact of a prolonged period of isolation on it.
- Assessment of the recoverability of all outstanding balances due with particular emphasis on the debtor's ability to pay.

On reviewing the results of this analysis, the directors have concluded that the company has sufficient reserves to continue for the foreseeable future.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

a) Other fixed asset investments

These are measured at fair value and changes in fair value are recognised in the financial statements, based upon the movement in the net assets of the underlying carrying vehicles. Within these vehicles the value of the underlying real estate is estimated by the SPV directors based upon recent third-party valuations.

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****4. ACCOUNTING POLICIES**

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are summarised below.

a) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and any provision for impairment. The rates applicable are:

Computer Hardware & Software	20 months straight-line method.
Tangible Fixed Assets, Leasehold and Leasehold Improvement	Calculated evenly until the tenant only break in the non-cancellable operating lease.

All other assets are fully depreciated at this date.

b) Other fixed asset investments

Short term investments are measured at fair value. Changes in fair value are recognised in profit or loss.

c) Debtors

Short term trade debtors are measured at the transaction price, less any impairment.

d) Creditors

Short term trade creditors are measured at the transaction price.

e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases and are entered in the ordinary course of business. The rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

f) Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) because of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****g) Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

h) Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

i) Foreign currency translations**Functional currency and presentation currency**

The individual financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position are presented in Sterling (£).

Transactions and balances

In preparing the financial statements of the entity, transactions in currencies other than the functional currency of the entity (foreign currencies) are recognised at the spot rate at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

5. Accounting policies for turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services.

a) Fee and Commission Income

The company earns fee and commission income from arranging the management of client funds by third parties and providing advisory services to clients. Fees are also earned from undertaking corporate finance, real estate management, intergroup fees and placements activity.

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)**

The company's clients, who are located outside the United Kingdom, include CTSA Holdings Ltd (formerly Capital Trust S.A.) and other related entities.

Fee income is recognised in the profit and loss account in the period in which it is earned. Interest income on deposits is recognised in the profit and loss account as it accrues.

b) Other Operating Income

Other operating income is derived from distributions from the properties that the company holds investments in, commissions on arranging insurances for those properties and other income relating to those investments.

6. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after:

	2021 £	2020 £
Auditors' remuneration		
- Fees payable to the company's auditor for the audit of the annual financial statements	25,975	20,600
- Fees payable to the company's auditor for the services relating to FCA assurance	6,610	6,400
- Fees payable to the Company's auditor for services relating to taxation	8,000	8,500
FCA regulatory reporting	3,634	2,690
Operating lease payments	39,870	183,524
Depreciation	4,079	7,162
Foreign exchange losses	8,418	8,491
	<u> </u>	<u> </u>

7. Directors and employees

	2021 £	2020 £
Staff costs during the year were as follows:		
- Wages and salaries	758,906	753,398
- Social security costs	92,709	92,927
- Other benefits	119,128	120,019
	<u> </u>	<u> </u>
	<u>970,743</u>	<u>966,344</u>

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)**

The average number of employees (including directors) was as follows:

	2021	2020
Finance	3	3
Administration	8	8
	<u>11</u>	<u>11</u>

Remuneration in respect of directors was as follows:

	2021 £	2020 £
Fees and other emoluments	447,421	449,544
Pension contributions to money purchase pension – schemes	30,720	30,720
	<u>478,141</u>	<u>480,264</u>

Remuneration in respect of highest paid director was as follows:

	2021 £	2020 £
Fees and other emoluments	131,648	134,980
Pension contributions to money purchase pension – schemes	12,360	12,360
	<u>144,008</u>	<u>147,340</u>

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****8. Taxation**

	2021 £	2020 £
UK Corporation Tax	5,482	1,713
Tax charge in respect of the current year	5,482	1,713
Deferred tax (credit)/charge	(27,728)	3,994
Tax on results	(22,246)	5,707

The total taxation charge for the year is higher than the standard rate of corporation tax in the UK at 19% (2020: 19%). The differences are explained below.

	2021 £	2020 £
Profit/(Loss) on ordinary activities before taxation	(25,042)	108,667

	2021 £	2020 £
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(4,758)	20,647

Effects of:

- Fixed asset differences	(36)	-
- Expenses not deductible for tax purposes	4,461	54
- Adjustment to brought forward values	(714)	-
- Chargeable gains/(losses)	1,783	-
- Income not taxable for tax purpose	(2,353)	(7,673)
- Remeasurement of deferred tax for changes in tax rates	(20,628)	(7,321)

Taxation	22,246	5,707
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Factors that may affect future tax charges

As per Finance Act 2021 the main rate of corporation tax will increase from 19% to 25% from 1 April 2023. The Company has a recognised deferred tax asset of £85,951 (2020: £58,223) comprising of a fixed asset timing difference liability totalling £1,776 (2020: £3,697), unrealised losses totalling £345,581 (2020: £308,682), and capital losses of £0 (2020: £1,450). These balances have been calculated using the 25% corporation deferred tax rate (2020: 19%).

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****9. Deferred tax asset recognised**

	2021 £	2020 £
Deferred tax asset recognised:		
- Balance at start of year	58,223	62,217
- Origination and reversal of timing differences	9,342	(3,994)
- Remeasurement of opening deferred tax asset for changes in tax rates	18,386	-
	<u>85,951</u>	<u>58,223</u>

10. Tangible fixed assets

	Short leasehold office premises £	Fixtures, Fittings & Office Equipment £	Computer Software & Hardware £	Total £
COST				
1 January 2021	104,572	48,064	29,305	181,941
Additions	-	-	1,612	1,612
Balance at 31 December 2021	<u>104,572</u>	<u>48,064</u>	<u>30,917</u>	<u>183,553</u>
	Short leasehold office premises £	Fixtures, Fittings & Office Equipment £	Computer Software & Hardware £	Total £
DEPRECIATION				
1 January 2021	104,572	48,064	24,200	176,836
Charge for the year	-	-	4,079	4,079
Balance at 31 December 2021	<u>104,572</u>	<u>48,064</u>	<u>28,279</u>	<u>180,915</u>
	Short leasehold office premises £	Fixtures, Fittings & Office Equipment £	Computer Software & Hardware £	Total £
NET BOOK VALUE				
31 December 2021	-	-	2,638	2,638
31 December 2020	-	-	5,105	5,105

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****11. Other fixed asset investments**

	Notes	2021 £	2020 £
Fair Value at 1 January 2021		1,075,006	1,226,816
- Purchased during year		-	-
- Foreign exchange movement		-	(6,947)
- Changes in fair value		(33,139)	(144,863)
- Disposed of during the year		(362,447)	-
Fair Value at 31 December 2021		679,420	1,075,006

12. Debtors

		2021 £	2020 £
Amounts falling due within one year:			
- Trade debtors		64,385	13,650
- Amounts due from related parties	19	641,013	715,624
- Other debtors		35,135	16,483
- Prepayments and accrued income		24,844	61,982
- Deferred tax		85,951	58,223
- Corporation tax repayable		-	-
		851,328	865,962

13. Creditors

		2021 £	2020 £
Amounts falling due within one year:			
- Other creditors		25,151	13,988
- Accruals and deferred income		63,187	140,177
- VAT payable		13,956	14,430
- Owed to Parent Company	19	444,543	440,852
- Corporation tax payable		5,482	1,713
- Covid Loan		-	50,000
		552,319	661,160

The Covid loan was taken out on 10 November 2020. The loan was repaid on 13 September 2021 and was interest free.

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****14. Called-up share capital**

	2021 £	2020 £
Authorised ordinary shares of £ 1 each	<u>1,500,000</u>	<u>1,500,000</u>
	2021 £	2020 £
Allotted, called-up and fully-paid ordinary shares of £ 1 each	<u>1,500,000</u>	<u>1,500,000</u>

15. Reconciliation of equity shareholders' funds

	2021 £	2020 £
Shareholders' funds at 1 January	1,704,531	1,601,571
Retained profit/(loss) for the year	(6,555)	102,960
Shareholders' funds at 31 December	<u>1,697,976</u>	<u>1,704,531</u>

16. Reconciliation of retained earnings

	2021 £	2020 £
Profit and Loss Account at 1 January	204,531	101,571
Retained profit/(loss) for the year	(6,555)	102,960
Profit and Loss Account at 31 December	<u>197,976</u>	<u>204,531</u>

17. Leasing commitments

At 31 December 2021 the company had annual commitments under non-cancellable operating leases as follows:

	Land & Buildings 2021 £	Land & Buildings 2020 £
Commitments:		
Falling due within one year	97,625	36,440
Falling due between one and five years	<u>41,250</u>	<u>-</u>

The company's office lease expired on 24th June 2020. The company is now in serviced offices with an earliest end date on the licence agreement of 31 May 2023.

Capital Trust Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****18. Ultimate parent undertaking**

The ultimate parent company is Capital Trust Holdings Inc., whose registered office is at National Bank Building, Memorial Square, P. O. Box 556, Charlestown, Saint Kitts and Nevis. The accounts of Capital Trust Holdings Inc. are not publicly available.

19. Transactions with related parties**2021****2020****£****£**

Fee income received from related party companies and its subsidiaries for administration and accounting services

- CTSA Holdings Ltd	146,200	146,200
- CTNV Ltd	30,000	30,000
- Capital TM Ltd	130,000	130,000
- Euromena Limited Partnership	61,499	-
- CTNV Limited	74,091	-
	441,790	306,200

Trade debtor amounts due from related parties

- CTSA Holdings Ltd	472,135	468,949
- CTNV Ltd	84,010	183,688
- Capital Trust Holdings Inc.	84,660	61,660
- CT Capital International Inc.	208	1,327
	641,013	715,624

Trade creditor amounts due to related parties

- Capital Trust Holdings Inc. (\$600,000 loan due to parent company)	444,543	440,852
	444,543	440,852

CTSA Holdings Ltd's parent company, Capital Partners Holdings Ltd, and Capital Trust Holdings Inc. have one shareholder in common.