

Company Registration No. 01602869 (England and Wales)

**CAPITAL GENERATION PARTNERS SERVICES  
LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2022**

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# **CAPITAL GENERATION PARTNERS SERVICES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors are responsible for preparing the Directors' 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 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 judgements and accounting estimates that are reasonable and prudent; and
- ⌘ 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.

**CAPITAL GENERATION PARTNERS SERVICES LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	3		517,029		408,038
Tangible assets	4		267,264		321,218
Investments	5		755,000		755,000
			<u>1,539,293</u>		<u>1,484,256</u>
<b>Current assets</b>					
Debtors	6	1,547,212		1,974,022	
Cash at bank and in hand		402,044		326,668	
		<u>1,949,256</u>		<u>2,300,690</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,327,999)</u>		<u>(1,322,022)</u>	
<b>Net current assets</b>			<u>621,257</u>		<u>978,668</u>
<b>Total assets less current liabilities</b>			<u>2,160,550</u>		<u>2,462,924</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(395,000)		(655,000)
<b>Provisions for liabilities</b>	9		(14,733)		(21,902)
<b>Net assets</b>			<u>1,750,817</u>		<u>1,786,022</u>
<b>Capital and reserves</b>					
Called up share capital	10		1,635,354		1,635,354
Profit and loss reserves			115,463		150,668
<b>Total equity</b>			<u>1,750,817</u>		<u>1,786,022</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 29/09/23 and are signed on its behalf by:

*Charlotte Thorne*

C L Thorne  
Director

# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Capital Generation Partners Services Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Fourth Floor, Berkeley Square House, Berkeley Square, London, W1J 6BX.

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

On the basis that all entities in the group are managed on a unified basis, the results of Capital Generation Partners Services Limited are included in the consolidated financial statements of Capital Generation Holdings LLP which are available from Fourth Floor, Berkeley Square House, Berkeley Square, London, W1J 6BX.

##### Transition to FRS 102

These financial statements are the first financial statements of Capital Generation Partners Services Limited prepared in accordance with FRS 102. The financial statements of Capital Generation Partners Services Limited for the year ended 31 December 2021 were prepared in accordance with International Financial Reporting Standards ("IFRS").

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from IFRS. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### Going concern

Capital Generation Partners Services Limited is a going concern as evidenced by its ongoing contract with a stable entity (Capital Generation Partners LLP) which itself has ongoing contracts with a number of clients. This means that both entities are active trading enterprises that are expected to have sufficient resources to meet all liabilities. The LLP's revenue is fairly well protected, as a large portion of the firm's income is on a fixed fee basis, and is agreed on annually using a contracted formula. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements

# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### Turnover

Turnover represents services income and is recognised at the time of invoicing, in line with the contract, net of VAT. The directors consider this to be in line with the period in which services are provided.

The entity recharges costs to group companies and bills such costs throughout the year. Any rechargeable costs unbilled as at the year end are included in accrued income as at the year end.

##### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years (20% per annum)
Development costs	5 years (20% per annum)

Development costs include costs incurred in relation to software which will be used to benefit the company's clients over the long term.

##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	5 years (20% per annum)
Computer & office equipment	4 years (25% per annum)

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### Fixed asset investments

Fixed asset investments are shown at cost less any provision for impairment in value which the directors consider necessary.

##### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### **Impairment of fixed assets (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

##### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

##### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies (Continued)

##### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	40	38

#### 3 Intangible fixed assets

	Computer software & software development £
<b>Cost</b>	
At 1 January 2022	560,047
Additions	217,710
At 31 December 2022	777,757
<b>Amortisation and impairment</b>	
At 1 January 2022	152,009
Amortisation charged for the year	108,719
At 31 December 2022	260,728
<b>Carrying amount</b>	
At 31 December 2022	517,029
At 31 December 2021	408,038



# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 4 Tangible fixed assets

	Fixtures, fittings and equipment etc £
<b>Cost</b>	
At 1 January 2022	922,539
Additions	117,843
Disposals	(73,950)
At 31 December 2022	<u>966,432</u>
<b>Depreciation and impairment</b>	
At 1 January 2022	601,321
Depreciation charged in the year	97,847
At 31 December 2022	<u>699,168</u>
<b>Carrying amount</b>	
At 31 December 2022	<u>267,264</u>
At 31 December 2021	<u>321,218</u>

#### 5 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	<u>755,000</u>	<u>755,000</u>

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2022 & 31 December 2022	<u>755,000</u>
<b>Carrying amount</b>	
At 31 December 2022	<u>755,000</u>
At 31 December 2021	<u>755,000</u>

The above investment represents the capital contributions made by the company as a member of the limited liability partnership, Capital Generation Holdings LLP.

# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6 Debtors

	2022	2021 as restated
	£	£
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	385,954	736,360
Other debtors	451,258	407,662
	<u>837,212</u>	<u>1,144,022</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	710,000	830,000
	<u>710,000</u>	<u>830,000</u>
<b>Total debtors</b>	<u>1,547,212</u>	<u>1,974,022</u>

Amounts owed by group undertakings totalling £265,954 (2021: £616,360) are repayable on demand and are interest free.

Amounts owed by group undertakings falling due within one year totalling £120,000 (2021: £120,000) and falling due after one year totalling £710,000 (2021: £830,000) accrue interest at 3.00% per annum over the bank base rate with amounts repayable either in equal instalments over 5 years or in 5 years in full.

The amounts in the prior financial year have been restated to reflect the underlying legal agreements.

#### 7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	260,000	260,000
Trade creditors	190,122	388,137
Taxation and social security	83,515	69,142
Other creditors	794,362	604,743
	<u>1,327,999</u>	<u>1,322,022</u>

Included with bank loans are loans of taken out on behalf of related parties totalling £260,000 (2021: £260,000). Interest is accrued at 3.00% per annum over the bank base rate with amounts repayable in equal instalments over 5 years.

There is a fixed and floating charge secured over the company's assets in favour of Coutts and Company.

# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 8 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	395,000	655,000

Included with bank loans are loans of taken out on behalf of related parties totalling £395,000 (2021: £655,000). Interest is accrued at 3.00% per annum over the bank base rate with amounts repayable in equal instalments over 5 years.

There is a fixed and floating charge secured over the company's assets in favour of Coutts and Company.

#### 9 Provisions for liabilities

	2022 £	2021 £
Deferred tax liabilities	14,733	21,902

#### 10 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	218,000	218,000	218,000	218,000
Deferred shares of €1 each	2,215,086	2,215,086	1,417,354	1,417,354
	<u>2,433,086</u>	<u>2,433,086</u>	<u>1,635,354</u>	<u>1,635,354</u>

The deferred shares have no right to receive notice of or attend or vote at any general meeting. They have no right to participate in distributions of profit available for dividend. On return of capital on winding up or otherwise the deferred shareholders shall only be entitled to a return of their paid up share capital after the repayment of ordinary shares and shall have no right to participate in any surplus of assets. The deferred shares have been translated at the historic rate of €1:£0.64 (2021: €1:£0.64)

#### 11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	2,995	11,980
Between one and five years	-	11,980
	<u>2,995</u>	<u>23,960</u>

# CAPITAL GENERATION PARTNERS SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 12 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales	
	2022	2021
	£	£
Entities with common control	5,169,514	4,162,896

Included within debtors are amounts owed by group undertakings totalling £1,095,954 (2021: 1,566,360). See note 6 for further detail.

#### 13 Parent company

It is management's assessment that Capital Generation Partners Services Limited is managed on a unified basis as defined in Companies Act 2006 s1162(4)(b) and as such the immediate parent company of Capital Generation Partners Services Limited is Capital Generation Partners LLP, an LLP incorporated in England and Wales. The ultimate parent company is Safinvest Holdings (Bermuda) Limited, a company incorporated in Bermuda.

Capital Generation Holdings LLP is the smallest and largest group for which consolidated accounts are prepared and copies can be obtained from its registered office Fourth Floor, Berkeley Square House, Berkeley Square, London, W1J 6BX.

The ultimate controlling party is Mr Khaled Said.

#### 14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was James Simpson

The auditor was RSM UK Audit LLP.