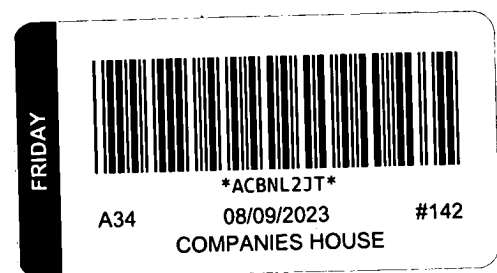


Registered number
01850105

Shore Capital Stockbrokers Limited
Annual Report and Financial Statements for the year ended
31 December 2022



Shore Capital Stockbrokers Limited
Annual Report and Financial Statements for the year ended 31 December 2022
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Shore Capital Stockbrokers Limited
Company Information

Directors

Dr C W Black
F J Calitz
C T M Cumming
S P Fine
M J P McEntyre
P S B Pinto

Company Secretary

M L van Messel

Registered Number

01850105

Registered Office

Cassini House
57 St James's Street
London
SW1A 1LD

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

The Royal Bank of Scotland plc
28 Cavendish Square
Marylebone
London
W1G 0DB

Shore Capital Stockbrokers Limited

Strategic Report

Review of the business

Shore Capital Stockbrokers Limited ("the Company") is a member of the Shore Capital Group of companies whose activities include, inter alia, a capital markets business. Its immediate parent company is Shore Capital Markets Limited. The capital markets business comprises a full scope broker dealer and a corporate finance adviser. Some of these activities are conducted within the Company, with corporate advisory services provided by an affiliate, Shore Capital and Corporate Limited.

Macroeconomic headwinds and geopolitical instability impacted global equity markets throughout the period. Investor sentiment has been significantly weakened by a combination of Russia's invasion of Ukraine, a growing cost-of-living crisis and a rising interest rate environment, which together contributed to a material reduction in liquidity and activity generally.

Despite these headwinds, our Corporate Advisory and Broking business has remained active and saw a particularly busy second half of the year compared to market peers, raising c.£300 million in the secondary market for nine of our listed clients. Across the full year, we acted on M&A deals worth over £1 billion in total, completed one of the few IPOs in the year and raised over £460 million new capital for our clients.

Our Market Making business has not been immune to the macroeconomic environment and as a result revenues have declined due to lower volumes and tighter margins. The team has remained adept at managing risk appropriately throughout the period in the face of rapidly evolving trading conditions.

Within a challenging primary and secondary market context, our Research and Equity Sales teams remained focused on seeking to identify equity valuation anomalies and to support our strong corporate client list with market understanding and largely secondary fund-raising activities. We continue to seek to support firms in the structurally growing areas of the green economy, enabled by our in-house ESG team, healthcare and life sciences. In 2022 we also built out our coverage of the professional services and real estate sectors.

The key performance indicator is profit. The Company's Profit and Loss account on page 13 shows how the company performs against this indicator.

Principal risks and uncertainties

A financial risk management policy is established at group level by Shore Capital Group Limited, the ultimate parent company. Full details are set out in the consolidated Group accounts of Shore Capital Group Limited, which may be obtained from the website <https://www.shorecap.co.uk>. The particular risks that apply to the Company are reviewed in note 24 and comprise market risk, interest rate risk, credit risk and liquidity risk.

Shore Capital Stockbrokers Limited Strategic Report (continued)

Statement by the directors in performance of their statutory duties in accordance with c172(1) Companies Act 2006

The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006, which is summarised as follows:

"A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the company."

The following paragraphs summarise how the directors fulfil these duties.

Long-term decision making

The Company prepares an annual budget which is approved by the Board on an annual basis. Decision-making is focused on driving long-term performance in preference to chasing short-term wins. Certain directors are also indirect shareholders in the Company, ensuring an alignment of long-term interests.

Employees

The Company has a well-developed structure through which it engages regularly with employees to share information and obtain feedback. Ongoing engagement with employees takes place throughout the year with results considered at Board level to ensure that the interests of employees are taken into consideration in all decision making.

Business Relationships

The Company's strategy prioritises organic growth, driven by growing the value of business transacted with institutional and professional customers. Achieving this is reliant on developing and maintaining excellent levels of customer service, and so senior management are highly focussed on these customer relationships. In addition, these priorities form part of the annual performance management programme for staff ensuring they are an integral part of behaviours and decision making.

Community and Environment

The Company's approach is to use its influence to create positive change for the people and communities with which it interacts. We want to leverage our expertise and enable colleagues to support the communities around us. The businesses which we advise and assist to raise capital employ many thousands of people and we are proud to be supporting the backbone of UK PLC.

Shore Capital Stockbrokers Limited
Strategic Report (continued)

Statement by the directors in performance of their statutory duties in accordance with c172(1) Companies Act 2006 (continued)

Business Conduct

As a FCA regulated entity, the Company is particularly focussed on ensuring a high level of conduct and integrity at all times. The Company has implemented the requirements of the Senior Management and Certification Regime under which all employees are all subject to the Conduct Rules and senior management are obliged to perform an annual assessment of the fitness and propriety of all staff.

Shareholders

The Company is wholly owned by Shore Capital Markets Limited, which in turn is majority owned by Shore Capital Group Limited, a Guernsey-registered company. The Chief Executive Officer of the Company is also Co-Chief Executive Officer of Shore Capital Group Limited, ensuring a high- level of shareholder engagement.

Future Developments

Markets remains under pressure due to inflation and interest rate concerns, as well as geopolitical events, impacting the broader equity markets with a reduction in investor risk appetite and capital markets activity. The directors consider that, despite these challenges, the Company is well positioned for 2023.

This report was approved by the Board of Directors on 26 April 2023.



M L van Messel
Company Secretary
Cassini House
57 St James's Street
London SW1A 1LD

Shore Capital Stockbrokers Limited

Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

Going Concern

The Company's business activities, its future development, together with the factors likely to affect performance and position are set out in the 'Review of the business' section in the Strategic Report.

Following the ongoing crisis in Ukraine and the subsequent response by the UK government to impose sanctions on Russia, the Company has conducted a review of its exposure to politically exposed/sanctioned Russian individuals or entities. The Directors consider that the Company has no material exposure to politically exposed/sanctioned Russian individuals or entities and that the Company's current procedures are sufficient in this regard to limit any future exposures.

Ongoing world events such as the global pandemic have rendered business prospects uncertain and more difficult to predict, however as the Company has demonstrated over the last twelve months, the business is extremely well prepared for a further period of disrupted activity. The Directors have reviewed highly stressed forecasts which include material reduction in revenues. On the basis of these, the directors consider that the Company has the financial resources to continue in operation for at least 12 months from the date of these financial statements being approved.

Liquidity positions within the entity are actively managed on a daily basis to ensure sufficient liquidity is maintained at all times to support the business while at the same time remaining well within regulatory and internal limits. The company continues to trade and generate revenue and cash flow. Taking these factors into consideration, the Directors believe that the entity is well placed to manage its business risks successfully. Therefore, the Company continues to adopt the going concern basis in preparing the annual report and financial statements.

Results

The retained loss for the year is set out on page 13 and the net assets on page 14. The loss for the financial year of £2,193,000 (2021: Profit of £8,461,000) has been transferred to reserves.

Dividends

During the year, interim dividends of £2,700,000 (2021: £1,350,000) were paid. The Directors do not recommend a final dividend for the year (2021: £nil).

Directors

The directors who served throughout the year and to the date of signing were as follows:

Dr C W Black
F J Calitz (appointed 17 January 2023)
C T M Cumming (appointed 7 November 2022)
S P Fine
M J P McEntyre
P S B Pinto (appointed 7 November 2022)

Directors' Indemnities

The Company makes qualifying third-party indemnity provisions for the benefit of its Directors. These were made during the year and remain in force at the date of this report.

Shore Capital Stockbrokers Limited

Directors' Report (continued)

Charitable and political donations

Charitable donations of £8,529 (2021: £6,185) were made by the Company during the year. No political donations were made during the year (2021: £Nil).

Streamlined Energy & Carbon Reporting

The following information summarises the company's direct environmental performance over the year ended 31 December 2022.

Greenhouse gas emissions scope tCO2e:	2022	2021
Scope 1: Direct emissions	-	-
Scope 2: Indirect emissions from purchased electricity	12.6	9.6
Total	12.6	9.6
Intensity measurement: tCO2e per employee	0.1	0.1
Electricity consumption: MWh	65.4	41.0

In 2022, total electricity consumption increased by 60% compared to 2021. Electricity consumption remained low in 2021 during which period offices reopened as lockdowns eased. We continued to reduce emissions by improving the energy efficiency of our offices together with recycling and minimising waste.

The method used to calculate the company's emissions is based on the 'Environmental Reporting Guidelines, 29 March 2019' issued by DEFRA using the UK Government GHG conversion factors for 2022. The emissions intensity calculation is based on a figure of 116 average total UK directors and employees in 2022.

Events after the reporting period

There were no significant events.

Financial Risk Management

Financial Risk Management objectives and information on exposure to risks has been disclosed in the Strategic Report.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

Shore Capital Stockbrokers Limited
Directors' Report (continued)

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The directors of the Company approve the reappointment of BDO LLP as auditor.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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), including FRS 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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.

Shore Capital Stockbrokers Limited
Directors' Report (continued)

This report was approved by the Board of Directors on 26 April 2023.



M L van Messel
Company Secretary
Cassini House
57 St James's Street
London SW1A 1LD

Shore Capital Stockbrokers Limited

Independent Auditor's Report to the members of Shore Capital Stockbrokers Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

We have audited the financial statements of Shore Capital Stockbrokers Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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.

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.

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

Shore Capital Stockbrokers Limited
Independent Auditor's Report to the members of Shore Capital Stockbrokers Limited (continued)

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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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.

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.

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.

Shore Capital Stockbrokers Limited

Independent Auditor's Report to the members of Shore Capital Stockbrokers Limited (continued)

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable law and regulations, including fraud. The Company monitors its compliance with these frameworks through its central compliance function. We held discussions with Management, reviewed correspondence with regulators and reviewed minutes of board meetings to assess how the Company is complying with the legal and regulatory framework.

We consider the significant laws and regulations to be the Companies Act 2006, the FCA rules, requirements of PAYE and VAT legislation and FRS 102 (UK GAAP).

We considered the risk of fraudulent revenue recognition that could give rise to material misstatement and performed testing over the existence of revenue transactions.

In respect of management override we have tested a risk based sample of journals back to supporting documentation, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Shore Capital Stockbrokers Limited
Independent Auditor's Report to the members of Shore Capital Stockbrokers Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

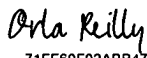
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

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Orla Reilly (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
26 April 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Shore Capital Stockbrokers Limited
Profit and Loss Account
for the year ended 31 December 2022

	Notes	2022 £000	2021 £000
Revenue		23,472	39,686
Administrative expenses		(25,733)	(28,895)
Operating (loss)/profit	2	<u>(2,261)</u>	<u>10,791</u>
Interest receivable & similar income	6	32	1
Interest payable & similar charges	6	(33)	(64)
(Loss)/Profit on ordinary activity before taxation		<u>(2,262)</u>	<u>10,728</u>
Taxation credit/(charge)	7	69	(2,267)
(Loss)/Profit for the financial year		<u><u>(2,193)</u></u>	<u><u>8,461</u></u>

Continuing operations

All transactions are in respect of continuing operations.

There are no recognised gains and losses other than the (loss)/profit shown above and, therefore, no separate statement of comprehensive income has been presented.

The notes on pages 16 to 30 form part of these financial statements.

Shore Capital Stockbrokers Limited
Balance Sheet
as at 31 December 2022
Company number: 01850105

	Notes	2022 £000	2021 £000
Fixed assets			
Tangible fixed assets	9	1,257	1,277
Current assets			
Trading assets	21	4,652	7,864
Debtors	10/20	33,785	80,542
Current asset investments	11	924	3,360
Cash at bank and in hand		<u>19,758</u>	<u>18,349</u>
		59,119	110,115
Current liabilities			
Trading liabilities	21	(572)	(851)
Creditors	12/20	<u>(22,795)</u>	<u>(68,639)</u>
		(23,367)	(69,490)
Net current assets		35,752	40,625
Net assets		<u>37,009</u>	<u>41,902</u>
Capital and reserves			
Called up share capital	14	1,640	1,640
Share premium account	15	3,271	3,271
Other reserves	17	10	10
Profit and loss account		32,088	36,981
Shareholders' funds		<u>37,009</u>	<u>41,902</u>

The notes on pages 16 to 30 form part of these financial statements.

The financial statements of Shore Capital Stockbrokers Limited were approved by the Board of Directors and authorised for issue on 26 April 2023.

They were signed on its behalf by:



S P Fine
Director

Shore Capital Stockbrokers Limited
Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital £000	Share premium account £000	Other reserves £000	Profit and Loss account £000	Total £000
At 1 January 2021	1,640	3,271	10	29,870	34,791
Profit for the financial year	-	-	-	8,461	8,461
Total comprehensive profit	-	-	-	8,461	8,461
Dividends paid (Note 8)	-	-	-	(1,350)	(1,350)
At 31 December 2021	1,640	3,271	10	36,981	41,902
At 1 January 2022	1,640	3,271	10	36,981	41,902
Loss for the financial year	-	-	-	(2,193)	(2,193)
Total comprehensive loss	-	-	-	(2,193)	(2,193)
Dividends paid (Note 8)	-	-	-	(2,700)	(2,700)
At 31 December 2022	1,640	3,271	10	32,088	37,009

The notes on pages 16 to 30 form part of these financial statements.

Shore Capital Stockbrokers Limited
Notes to the financial statements
for the year ended 31 December 2022

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

1 Accounting policies

Company Information

Shore Capital Stockbrokers Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Cassini House, 57 St James's Street, London, SW1A 1LD.

Accounting convention

The financial statements have been prepared under the historical cost convention under FRS 102, modified to include certain items at fair value, and in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company's functional and presentational currency are both Sterling.

The Company meets the definition of a qualifying entity under FRS 102 (1.12) and has therefore taken advantage of the disclosure exemptions available to it. The Company is consolidated in the financial statements of its ultimate parent, Shore Capital Group Limited, which may be obtained from its Head Office at 3rd floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel. The Company has taken advantage of the disclosure exemption for transactions with group companies as provided by section 33 of Financial Reporting Standard 102.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the Company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Deferred tax

Management judgement is required to determine the amount of deferred tax that can be recognised based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. The carrying value of deferred tax is set out in note 7.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

1 Accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on page 5. The Company holds considerable capital resources in excess of its regulatory requirements and has an established business model. Liquidity positions within the entity are actively managed on a daily basis to ensure sufficient liquidity is maintained at all times to support the business while at the same time remaining well within regulatory and internal limits. Taking these factors into consideration, the Directors believe that the entity is well placed to manage its business risks successfully. Therefore, the Company continues to adopt the going concern basis in preparing the annual report and financial statements.

Revenue

Revenue represents the net profit on buying and selling securities and the profits arising on positions held in securities. Revenue also includes commission income and other ancillary fees.

Net profit/loss on trading in securities are classified as financial assets at fair value through profit or loss. Trading assets and liabilities are valued at closing out prices at the close of business on the balance sheet date, namely trading assets at the bid price and trading liabilities at the offer price.

Dividends arising on trading positions in securities form part of dealing profit and, because they are also reflected by movements in market prices, are not identified separately.

Revenue, including revenue from Stock Exchange transactions, is recognised at the trade/contract date rather than settlement date.

Commission income and other ancillary fees are measured based on the consideration specified in a contract with a customer and are recognised by applying IFRS 15 Revenue from Contracts with Customers. These revenue streams are largely recorded at a point in time when the Company has fully completed the performance obligations per the contract.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company applies the recognition and measurement provisions of IFRS 9 Financial Instruments in accordance with FRS 102 section 12.

Financial assets and liabilities at FVTPL

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

1 Accounting policies (continued)

Financial assets and liabilities at FVTPL (continued)

Financial assets and liabilities are classified as at FVTPL where the financial asset or liability is either held for trading or it is designated as at FVTPL. A financial asset or liability is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments which the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative which is not designated as an effective as a hedging instrument.

Financial instruments which are classified as held for trading through profit or loss comprise trading assets and liabilities positions in securities and derivative instruments. Trading Assets and Liabilities are valued at bid and ask prices at the close of business on the balance sheet date, namely trading assets at the bid price and trading liabilities at the offer price.

Derivatives are initially recognised at the contract value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

A financial asset or liability, other than a financial asset or liability held for trading, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets and liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss within operating (loss)/profit. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset or financial liability.

The Company's financial assets designated as at FVTPL upon initial recognition include positions in quoted and unquoted securities.

Trade debtors, other receivables and current asset investments

Trade debtors, intercompany receivables and other receivables are measured at initial recognition at fair value and subsequently at cost less impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cashflows.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

1 Accounting policies (continued)

Trade creditors and other payables

Trade creditors, intercompany payables and other payables are measured at initial recognition at fair value, and are subsequently measured at amortised cost.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following annual rates:

Leasehold premises : over the unexpired term of the lease

Fixtures and equipment : 25% straight line

Property and operating leases

Rentals paid under operating leases are charged to profit and loss account evenly over the primary period of the lease.

Pension costs

The charge against (loss)/profits is the amount of contributions payable in respect of personal defined contribution pension arrangements for Directors and employees in the year.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted by the reporting date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. These differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements and deferred taxation is determined using tax rates that have been enacted by the reporting date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The translation differences are dealt with in the profit and loss account.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

1 Accounting policies (continued)

Cash and cash equivalents

Cash comprises cash in hand and on-demand deposits which may be accessed without penalty and subject to insignificant risk of change in fair value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. An equity instrument is any contract which evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Dividends

Dividends are recognised when they become legally payable.

Impairment of non-financial assets

At each balance sheet date, the company reviews the carrying amounts of its 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 the asset does not generate cash flows that are independent from other assets (e.g. goodwill), the company estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount is the higher of fair value less any cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the timevalue 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. Impairment losses are recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment of financial assets

A financial asset is considered for impairment on the observation of the following data,

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due
- the disappearance of an active market for a security because of financial difficulties.

A financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

2 Operating (loss)/profit	2022 £000	2021 £000
Operating (loss)/profit is stated after charging/(crediting):		
Depreciation of fixed assets	330	346
Operating lease rentals - Land and Buildings	821	887
Defined contribution pension costs	634	695
Foreign exchange (gain)/loss	(146)	7
Settlement costs	2,489	3,061
Dealing Costs	3,258	2,850
Fees payable to the Company's auditors:		
Audit of the Company's financial statements	75	54
Regulatory assurance	3	3
Auditors' remuneration for other services	6	6

3 Directors' emoluments	2022 £000	2021 £000
Highest paid Director	256	855
Other Directors	988	1,096
	<u>1,244</u>	<u>1,951</u>

No pension payments were made on behalf of any Director in 2022 or 2021.

During the year, there was one Director (2021: 1) who held options over unissued ordinary shares of nil par value under the Shore Capital Group share option plan.

4 Staff costs	2022 £000	2021 £000
Wages and salaries	11,491	14,771
Social security costs	1,490	1,899
Other pension costs	634	695
	<u>13,615</u>	<u>17,365</u>

Average number of employees during the year	Number	Number
Staff numbers (includes Executive Directors)	<u>116</u>	<u>108</u>

5 Interest receivable & similar income	2022 £000	2021 £000
Bank deposits	<u>32</u>	<u>1</u>

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

6 Interest payable & similar charges	2022	2021
	£000	£000
Bank loans and overdrafts	<u>33</u>	<u>64</u>
7 Taxation	2022	2021
	£000	£000
Analysis of (credit)/charge in year		
Current tax:		
UK corporation tax (credit)/charge on (loss) for the year	(559)	1,705
Prior year tax charge/(credit)	-	(20)
Movement in deferred tax	490	582
Tax (credit)/charge on (loss)/profit on ordinary activities	<u>(69)</u>	<u>2,267</u>
	2022	2021
	£000	£000
(Loss)/Profit on ordinary activities before tax	<u>(2,262)</u>	<u>10,728</u>
Standard rate of corporation tax in the UK	19.00%	19.00%
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax	(430)	2,038
Effects of:		
Expenses not deductible for tax purposes	3	86
Reallocation of tax losses	358	163
Prior year adjustment	-	(20)
Total tax (credit)/charge for the year	<u>(69)</u>	<u>2,267</u>

The average tax rate on the loss before tax for the Company's UK activities for 2022 was 19.00% (2021: 19.00%). To the extent that deferred tax reverses at a different rate from that at which it is recognised, this will change the impact on the net deferred tax (liability)/asset.

Deferred tax

The deferred tax (liability)/asset largely relates to timing differences on PPE and tax losses carried forward in connection with the trade of the Stockdale Securities Limited business prior to its acquisition by the Company's immediate parent company Shore Capital Markets Limited during 2019. A deferred tax asset has only been recognised in respect of those losses anticipated to be relieved in the short term as this is the extent to which management can consider future profits to be probable.

	2022	2021
	£000	£000
Deferred tax		
At 1 January	461	1,043
Movement in deferred tax	<u>(490)</u>	<u>(582)</u>
At 31 December	<u>(29)</u>	<u>461</u>

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

8 Dividends	2022	2021
	£000	£000
Interim dividends paid	<u>2,700</u>	<u>1,350</u>

An interim dividend of £2,700,000 was paid on 28th March 2022.

The Directors do not recommend a final dividend for the year (2021: £nil).

9 Tangible fixed assets

	Leasehold improvements £000	Fixtures and equipment £000	Total £000
Cost			
At 1 January 2022	1,153	3,370	4,523
Additions	<u>158</u>	<u>152</u>	<u>310</u>
At 31 December 2022	<u>1,311</u>	<u>3,522</u>	<u>4,833</u>
Depreciation			
At 1 January 2022	295	2,951	3,246
Charge for the year	<u>114</u>	<u>216</u>	<u>330</u>
At 31 December 2022	<u>409</u>	<u>3,167</u>	<u>3,576</u>
Net book value			
At 31 December 2022	<u>902</u>	<u>355</u>	<u>1,257</u>
At 31 December 2021	<u>858</u>	<u>419</u>	<u>1,277</u>

10 Debtors	2022	2021
	£000	£000
Trade debtors	24,026	69,969
Amounts owed by group undertakings	2,349	5,568
Deferred tax	-	461
Corporation tax	1,590	762
Prepayments and accrued income	4,478	3,394
Other debtors	<u>1,342</u>	<u>388</u>
	<u>33,785</u>	<u>80,542</u>

Trade debtors include market debtors arising in the course of settlement. The Directors consider that the carrying value of debtors approximates their fair value.

Trade debtors are shown net of provision for doubtful debts amounting to nil (2021: nil).

Other debtors include deposits held with service providers.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

11 Current asset investments	2022 £000	2021 £000
Investments	<u>924</u>	<u>3,360</u>
	<u>924</u>	<u>3,360</u>
Opening at fair value	3,360	866
Purchases	70	621
Sales	(7,008)	-
Gains on remeasurement to fair value	<u>4,502</u>	<u>1,873</u>
Market Value	<u>924</u>	<u>3,360</u>

The total income recognised on these investments represent the fair value remeasurements.

12 Creditors	2022 £000	2021 £000
Trade creditors	18,134	54,193
Amounts owed to group undertakings	43	4,916
Deferred tax	29	-
Other taxes and social security costs	1,261	1,432
Other creditors	315	95
Accruals	<u>3,013</u>	<u>8,003</u>
	<u>22,795</u>	<u>68,639</u>

The Company has a GBP revolving credit facility (£20m) which is secured by a floating charge over the assets of the Company. None was drawn at the end of the year (2021: £nil).

Trade creditors comprise market creditors arising in the course of settlement. The Directors consider that the carrying value of creditors approximates their fair value.

13 Operating leases	2022 £000	2021 £000
Total minimum future lease commitments under non-cancellable operating leases are as follows:		
Within one year	1,457	1,487
Between one year and five years	4,776	4,499
In more than five years	<u>1,435</u>	<u>3,236</u>
	<u>7,668</u>	<u>9,222</u>

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

14 Share capital	2022 £000	2021 £000
Authorised: 2,500,000 (2021 : 2,500,000) Ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>
Allotted, called up and fully paid: 1,639,899 (2021 : 1,639,899) Ordinary shares of £1 each	<u>1,640</u>	<u>1,640</u>

The Company has one class of ordinary shares in issue, which carry no right to fixed income. Each share carries the right to one vote. There are no restrictions on the size of a holding nor on the transfer of shares. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

15 Share premium account	2022 £000	2021 £000
At 1 January and 31 December	<u>3,271</u>	<u>3,271</u>

16 Other reserves

Other reserves of £10,000 (2021: £10,000) relate to share-based payments made by the company.

17 Cash Flow Statement

Under FRS 102 the Company is exempt from the requirement to prepare a cash flow statement since the cash flows of the Company are included in Shore Capital Group Limited's financial statements for the year ended 31 December 2022, which are publicly available.

18 Related Party Transactions

The Directors and all other staff are entitled to deal in securities through the Company in accordance with in house dealing rules, which include the provision that staff are entitled to reduced commission rates. The Directors are of the opinion that all such transactions are not material to either the Company or the relevant individuals.

Central Group overheads of the parent company are recharged throughout the Group, including to this Company, by way of a management charge. Amounts charged during the year were as follows.

	2022 £000	2021 £000
Recharged from Shore Capital Group Limited	<u>822</u>	<u>1,285</u>

19 Parent Company

The immediate parent company is Shore Capital Markets Limited, 82.2% of which is owned by Shore Capital Group Limited, a company incorporated in Guernsey. Shore Capital Group Limited is the ultimate parent and controlling party for which 2022 consolidated financial statements were prepared. Group financial statements are available from the website at www.shorecap.co.uk/2022-annual-report-and-accounts/.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

20 Financial Instruments

The Company's financial instruments comprise, for the purpose of FRS 102 Section 11, trading assets and liabilities, intercompany debtors and creditors, trade and other debtors and creditors and cash resources. The main risks arising from the Company's financial instruments are market risk, interest rate risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below. The revenue of the Company all arises from dealings in equities.

a) Market Risk

The Company is exposed to market risk in respect of its trading in equities. The Company carries out a market making activity primarily in small and mid cap stocks. It also undertakes principal dealing on a limited basis. The fair value at the year end of positions arising from these activities is disclosed in the Financial Statements in the balance sheet for trading assets and liabilities.

The year end positions arising from market making activities are in line with those maintained throughout 2021. Both the maximum permitted size of each trading book and the maximum size of individual positions are predetermined and dealers are set prescribed limits within which they can deal. Day-to-Day risk monitoring is carried out by the Head of the Shore Capital Markets division and the Finance Department.

Based on a 10% movement in the market price of equities, with all other variables remaining unchanged, the effect on profit for the year and equity would be as follows:

2022

	Net equity £'000	Change in price %	Effect on loss and on equity £'000
Listed equities (net)	4,080	10%	408
Warrants	137	10%	14

2021

	Net equity £'000	Change in price %	Effect on profit and on equity £'000
Listed equities (net)	4,194	10%	419
UK Treasury gilts	2,820	10%	282
Warrants	305	10%	31

During the year the UK Treasury Gilts matured.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

20 Financial Instruments (continued)

b) Interest Rate Risk

The Company does not have any long-term fixed borrowings and therefore is not exposed to any fixed interest rates.

The interest bearing financial assets and liabilities of the company comprise cash and cash equivalents and bank overdrafts as shown in the balance sheet. Cash and cash equivalents receive, and bank overdrafts pay, interest at floating rates linked to either bank base rates or money market rates. The Company has a £20m revolving credit facility, renewable annually.

Interest rate sensitivity analysis

Interest on financial instruments linked to floating rate is reset at intervals of less than one year.

A positive 100 basis point movement in interest rate applied to the average value of balance sheet items which are subject to floating interest rates would result in the following impact on (loss)/profit for the year:

	2022 £'000	2021 £'000
+100 basis point movement in interest rates	7	14
As a percentage of total shareholders' equity	0.01%	0.02%

The Company would experience an equal and opposite impact on (loss)/profit should the interest rate move by negative 100 basis points.

c) Credit risk

The Company's principal financial assets are trading assets, cash and cash equivalents, trade debtors and other receivables.

The credit risk on cash and cash equivalents is limited as the counterparties are all well rated internationally recognised banks, supported by a government guarantee, and financial institutions.

The Company's main credit risk is attributable to its trade debtors and other receivables. The amounts shown in the balance sheet arise from the Company's trading in equities where the counterparties are mainly regulated financial institutions. As a result, the Company's counterparties are generally subject to certain minimum capital requirements which serves to limit the credit risk to the Company.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and clients. The carrying amount of trade debtors and other receivables represents the company's maximum exposure to credit risk for such loans and receivables.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

20 Financial Instruments (continued)

c) Credit risk (continued)

Past due but not impaired assets

The table below reflects financial assets that are past due but not impaired at 31 December.

	Not past due £'000	30 days past due £'000	60 days past due £'000	over 90 days past due £'000	Total £'000
2022					
Trading assets	4,652	-	-	-	4,652
Trade debtors	23,978	6	33	9	24,026
Other financial assets	3,901	19	58	281	4,259
	<u>32,531</u>	<u>25</u>	<u>91</u>	<u>290</u>	<u>32,937</u>

	Not past due £'000	30 days past due £'000	60 days past due £'000	over 90 days past due £'000	Total £'000
2021*					
Trading assets	7,864	-	-	-	7,864
Trade debtors	69,905	10	9	45	69,969
Other financial assets	5,899	10	5	9	5,923
	<u>83,668</u>	<u>20</u>	<u>14</u>	<u>54</u>	<u>83,756</u>

* This comparative has been correctly included. In prior periods the information was not disclosed.

d) Liquidity Risk

Ultimate responsibility for liquidity management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and borrowing facilities to meet its actual and forecast cash flows and matching maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below reflects the contractual undiscounted maturities, including interest payments, of the Company's financial liabilities as at 31 December:

	Current and due within 3 months £'000	Due between 3 months and 12 months £'000	Due between 1 year and 5 years £'000	Due after 5 years £'000	Total £'000
2022					
Trading liabilities	572	-	-	-	572
Trade payables	18,133	-	-	-	18,133
Other liabilities	3,371	-	-	-	3,371
	<u>22,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,076</u>

	Current and due within 3 months £'000	Due between 3 months and 12 months £'000	Due between 1 year and 5 years £'000	Due after 5 years £'000	Total £'000
2021					
Trading liabilities	851	-	-	-	851
Trade payables	54,193	-	-	-	54,193
Other liabilities ¹	13,014	-	-	-	13,014
	<u>68,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,058</u>

¹This comparative has been restated to correctly exclude Other taxation and social security as it is a non-financial liability

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

20 Financial Instruments (continued)

e) Fair value of financial instruments at fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For trading portfolio assets and liabilities, financial assets and liabilities designated at fair value and financial investments available-for-sale which are listed or otherwise traded in an active market, for exchange-traded derivatives, and for other financial instruments for which quoted prices in an active market are available, fair value is determined directly from those quoted market prices (level 1).

For financial instruments which do not have quoted market prices directly available from an active market, fair values are estimated using valuation techniques, based wherever possible on assumptions supported by observable market prices or rates prevailing at the Balance Sheet date (level 2). This is the case for some unlisted investments and other items which are not traded in active markets. The valuation of warrants is done on an option valuation model which uses its current price, exercise price, time to expiry and volatility as inputs. The exercise value is the option's value if it were immediately exercisable, whereas the time value captures the possibility that the passage of time and the volatility of the underlying price will change the profitability of exercise at maturity.

For some types of financial instruments, fair values cannot be obtained directly from quoted market prices, or indirectly using valuation techniques or models supported by observable market prices or rates. This is the case for certain unlisted investments. In these cases, fair value is estimated indirectly using valuation techniques for which the inputs are reasonable assumptions, based on market conditions (level 3). Inputs used include latest fund raising prices.

2022	Level 1	Level 2	Level 3	
	Quoted	Market	Non-market	
	market price	observable	observable	Total
	£'000	inputs	inputs	£'000
Trading assets and other holdings at fair value	4,652	-	-	4,652
Current asset investments at fair value	-	478	309	787
Warrants	-	137	-	137
Total financial assets	4,652	615	309	5,576
Trading liabilities	572	-	-	572
Total financial liabilities	572	-	-	572

2021	Level 1	Level 2	Level 3	
	Quoted	Market	Non-market	
	market price	observable	observable	Total
	£'000	inputs	inputs	£'000
Trading assets and other holdings at fair value	7,864	-	-	7,864
Current asset investments at fair value	-	-	3,055	3,055
Warrants	-	305	-	305
Total financial assets	7,864	305	3,055	11,224
Trading liabilities	851	-	-	851
Total financial liabilities	851	-	-	851

During the year the Company sold one of its current asset investments held at book value of £2.3m.

Shore Capital Stockbrokers Limited
Notes to the financial statements (continued)
for the year ended 31 December 2022

21 Post Balance Sheet Events

There were no significant subsequent events.

22 Capital Management

The company's objectives when managing capital are to safeguard the firm as a going concern and safeguard the markets and customers from any harms the company's business may cause. In order to manage its capital the business ensures sufficient regulatory capital and liquid resources are available to meet regulatory and working capital requirements.

Capital is managed through budgeting, forecasts, daily and monthly reporting. In order to maintain capital at the required levels the company may adjust dividends paid to the parent company.

The company's regulatory capital consists solely of Tier 1 capital. Capital requirements are calculated in accordance with the MIFIDPRU rules. The company has exceeded capital requirements in the period.

23 Regulatory Disclosure

On 1 January 2022 the company became subject to the MIFIDPRU regulatory requirements.

Quantitative regulatory disclosures which are in accordance with MIFIDPRU 8 are available on the Shore Capital Group Limited website, www.shorecap.co.uk