Britannia Global Markets Limited

Annual report and financial statements

The year ended 31 December 2022

Registered number: 01969442

Company Information

Directors	Andrew Bole (appointed 24 March 2022) Mark Bruce (appointed 3 October 2022) Ian Johnson (resigned 28 April 2023) Stephen Pettitt (appointed 27 February 2023) Daniel Reiser Sofia Saracho de Oyarzabal (resigned 22 June 2023)
Company secretary	Gabriela Maldonado
Registered number	01969442
Registered office	Level 29 52 Lime Street London EC3M 7AF
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Contents

Directors' Report

For the year ended 31 December 2022

The Directors present their report together with the Strategic Report and the financial statements of Britannia Global Markets Limited ('the company' or 'BGM' or 'the firm') for the year ended 31 December 2022. The comparatives present information for the Year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £78,198 (2021 – loss of £159,123).

The directors did not recommend a dividend during the year (2021 – nil).

Directors

The directors who served during the year and as of the date of the approval of the financial statements were:

Andrew Bole (appointed 24 March 2022)
Mark Bruce (appointed 3 October 2022)
Ian Johnson (resigned 28 April 2023)
Stephen Pettitt (appointed 27 February 2023)
Daniel Reiser
Sofia Saracho de Oyarzabal (resigned 22 June 2023)

Political donations and expenditure

There were no political donations or expenditure during the year (2021 – nil).

Qualifying third party indemnity provisions

The Company has arranged qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether the applicable law and United Kingdom 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

Directors' Report (continued)

For the year ended 31 December 2022

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 to 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.

Pillar 3 disclosures (MIFIDPRU 8)

The company's Pillar 3 disclosures are made publicly available at the company's website www.britannia.com/gm.

Matters covered in the Strategic Report

The company has chosen, in accordance with s.414C(11) of the Companies Act 2006, to set out in the company's Strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and Part 2 of The Companies (Miscellaneous Reporting) Regulations 2018 to be contained in the Directors' report. It has done so in respect of risk exposure, future developments, and engagement with suppliers, customers, and others.

Post year end events and future developments

Subsequent events are outlined in note 25 to the financial statements. An indication of likely future developments in the company is set out on page 6 of the strategic report.

Disclosure of information to auditor

Each person who was a Director at the date of approving this report has confirmed 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 ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The Auditors BDO LLP will be proposed for re-appointment at a forthcoming Board of Directors' meeting.

This report was approved by the Board on 03 August 2023 and signed on its behalf, by:

Stephen Pettitt

Director

Strategic Report

For the year ended 31 December 2022

The Directors present their Strategic Report for the year ended 31 December 2022.

Principal activities

The principal activities of the company are futures, options, bullion, equities, base metals and foreign exchange broking. BGM is authorised and regulated by the Financial Conduct Authority. The company is a member of the Dubai Gold and Commodity Exchange ('DGCX').

Review of business and future developments

BGM's impressive revenue growth is a testament to its ambitious business plan and the dedication of its teams. Despite a challenging trading environment throughout the year, dominated by the ongoing conflict in Ukraine, revenue increased by 25% from £39m in Y2021 to almost £50m in Y2022. As a benchmark the CME, the world's leading derivates exchange, achieved a 15% uptick in average daily volumes over the same period.

UK inflation rates started to increase steadily during 2021 but have continued to harden throughout 2022, ending the year at 10.7% (5.3% prior year) which is well ahead of the government target of 2%. The impact of inflation has led to a notable increase in operating costs year-on-year which in turn has increased the business' focus on cost control. In the main, costs have been well controlled throughout the year and continue to be reviewed regularly to ensure that they are effectively managed.

A positive knock-on impact of high inflationary environments is the inevitable increase in global interest rates as a tool to combat high inflation. Fed Funds rising from 0.08% at the start of 2022 to 4.33% in December started to deliver some welcome additional revenue and will continue to be a positive factor for the foreseeable future as interest rates show little sign of collapsing with analysis predicting between 5%-6% for Y2023.The strong management information that is being produced at BGM ensures that we are constantly evaluating our trading desks and their profiles. As a direct result of this monitoring, we made the decision to exit the Equity spread-betting business in H2 2023. Not only was the business falling short of revenue ambitions, but importantly, was becoming less attractive in the eyes of the UK regulator.

The employment market continues to be competitive in the financial services sector which has naturally led to a higher than expected level of staff attrition compared to prior years. However, Britannia continues to positively attract strong talent due to its continued growth and expansion in diverse products.

Looking ahead, the Company remains committed to delivering enhanced offerings and added value to its clients. This commitment is reflected in the company's investment in new products and front office systems that improve the client experience. The notable example being the maturation of the Prime offering, which following corporate incubation for most of 2022 now stands on its own two feet with an ever-growing asset pool that should be a significant revenue contributor going forward.

Additionally, BGM continues to implement robust back-office systems whilst consistently striving to enhance existing processes across the business with the aim of ensuring compliance and risk management standards are upheld to the highest levels.

BGM demonstrated the effectiveness of their back-office systems during a street-wide outage that affected a major industry infrastructure provider in early 2023. The Firm's ability to continue trading and risk-manage client activity highlights their commitment to maintaining a secure and stable operating environment for their clients.

BGM's investment in its technology and personnel, as well as its hiring of new staff and resources, reinforces its dedication to its clients and continued success. In 2022, the BGM board recognized the importance of addressing key person risk and took proactive measures to strengthen their leadership team by appointing a COO and CFO.

Strategic Report (continued)

For the year ended 31 December 2022

These new positions were incorporated into the company's organizational structure and became effective in 2023, demonstrating the board's commitment to ensuring long-term stability and success for the company.

With a focus on innovation, automation, and exceptional service, the Company is well-positioned to continue its growth and maintain its leading position in the industry.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures, and internal controls. The policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the company, and the compliance team and finance department take on an important oversight role in this regard. The management team is responsible for ensuring that a proper internal control framework exists to manage financial risks, and that these controls operate effectively. The company has developed a framework for identifying relevant risks and corresponding mitigation. This process is risk based and uses Individual Capital Assessment principles to manage capital requirements and to ensure that the company has the financial strength and capital adequacy to support the growth of the business and to meet the requirements of policy holders and regulators.

Regulatory and compliance risk

The senior management team mitigates regulatory and compliance risks by using expert support, rigorous control procedures and compliance training for the directors.

Operational risk

The company maintains robust policies and procedures to control and mitigate risk in all of its operations. The senior management team monitors operational risks on a daily basis with key information reported to the Executive Directors.

Currency risk

The company does not undertake proprietary trading and matches its outstanding positions with banking counterparties within strictly defined limits.

Credit risk

The company has the skills and processes in place to assess credit risk before entering into any transaction as well as to monitor and assess ongoing credit risk.

Liquidity risk

The company has systems, procedures and working capital in place to monitor and mitigate significant liquidity events. It also maintains facilities with a number of global transaction banks to provide independent sources of currency supply.

Financial key performance indicators

The key performance indicators for the company are turnover of £48,541,360 (2021: £39,020,986), profit before tax for 2022 of £14,488 (2021 – loss of £193,337) and net assets of £36,401,057 (2021 - £36,479,255).

Strategic Report (continued)

For the year ended 31 December 2022

Going Concern

The Board aims to develop a leading global financial firm offering brokerage, securities, asset and wealth management services. The Board monitors a three-year strategic plan, developed as part of the Internal Capital Adequacy and Risk Assessment (ICARA), that helps in managing a growing business, highlighting potential risks and harms that could impact the smooth attainment of the objectives.

In order to test the Firm's robustness and resilience, it has developed a number of stress tests. These assess the Firm's ability to withstand both market-wide and firm-specific adverse events. The stress tests, while plausible, are designed to be severe, in order to assess the company's viability in adverse financial conditions. These stress tests enable the impact of a number of external and internal events to be modelled, identifying the potential impacts on the company's income statement, balance sheet, cash flow and regulatory capital position. The Board of Directors is subsequently able to assess the company's capacity to implement effective management actions to mitigate the impact of the potential stress events. These stress tests allow the Board to assess the effectiveness of any requisite management actions that may be taken to mitigate the impact of the respective stress events.

The company has consistently demonstrated strong capital and liquidity resilience throughout the COViD-19 pandemic, and remains well-positioned (with a healthy balance sheet) to absorb any future shocks. In considering going concern, the directors have reviewed the capital, liquidity and financial position of the company and concluded that the going concern basis is still appropriate. As a part of this conclusion the directors took into consideration the financial impact of the Russian war in Ukraine (including the resulting volatility in the markets and resulting increased levels of counterparty and operational risks), Covid-19, and the potential impact on the capital, liquidity and financial performance as noted within the Group's pandemic stress and reverse stress test. The results of the pandemic stress highlighted that the company have sufficient capital and liquidity to satisfy their regulatory requirements. In addition to this a reverse stress analysis has been performed to identify the tail risk scenarios which would lead to challenges in meeting regulatory requirements.

The Board of Directors believes that the Firm is well placed to manage its business risks successfully. The Directors also considered the quantity and quality of capital resources currently employed within the business and whether they are sufficient given the risks faced by the firm and already identified growth plans.

The stress tests demonstrate that the company has more than adequate resources in place to continue in operational existence for the period of at least 12 months from the date of signing of these accounts. As such, the Board continues to adopt the going concern basis for the preparation of the Financial Statements. In addition, the Directors have a reasonable expectation that the Company will be able to continue in operation as a viable entity and meet its liabilities for at least 12 months from the date of signing the accounts. Thus, the company continues to adopt the going concern basis of accounting in preparing these financial statements.

Strategic Report (continued)

For the year ended 31 December 2022

Section 172 statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors of Britannia Global Markets Limited are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision 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 to maintain a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company

Induction materials provided on the appointment of a director include an explanation of the director's duties. To ensure the company is operating in line with good corporate practice, the group general counsel & company secretary has provided the directors with training in relation to the scope and application of s.172. This focused activity allowed the Board to reflect on how the company engages with its stakeholders and opportunities for enhancement in the future. The Board reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by the group executive directors who are also directors of the company themselves. The Board continues to enhance its methods of engagement with employees. Following an assessment by the Board in the prior period, the company made it a priority to ensure full employee engagement by concluding that the most effective method for engagement in the company's particular circumstances would be the appointment of our UK legal general counsel, with designated responsibility for employee engagement. On an on-going basis, the group general counsel & company secretary will continue to provide support to the Board to help ensure that sufficient consideration is given to stakeholder issues.

The firm aims to work responsibly with suppliers and customers and is committed to supporting and respecting human rights in the workplace and in the community. Meeting our customers' expectations is the most important part of our business. We know that a close relationship between our customers and employees is often important in ensuring that expectations are met. Understanding our customers' expectations is fundamental to the success of our business. Regular engagement ensures that the business continues to operate, putting customers first and responding to our customers' needs. We see client satisfaction as an important aspect of our company performance overall.

The company's growing business is dependent upon continuing good relationships with suppliers. The range of services that we procure from our suppliers ensures the smooth functioning of our business. Regular engagement with suppliers allows us to maintain good relationships, and helps the business avoid disruption and unnecessary risks in the supply of essential services that our customers are reliant on.

Streamlined Energy Carbon Reporting (SECR)

Greenhouse gas emission estimates are produced for the Group as a whole and are contained in the annual report of the company's parent, Britannia Financial Group Limited, which does not form part of this report.

Strategic Report (continued)

For the year ended 31 December 2022

Environmental and Social Governance

BGM's main office, located within the Scalpel, is a top performing energy conservation building. The Scalpel attained an 'excellent' score on the BREEAM chart (Building Research Establishment's Environmental Assessment Method), the world's first sustainability rating scheme for buildings. In furtherance to this, the Scalpel is positioned within the top 10% of energy conservation buildings across the UK, with features ranging from PV cells on the roof, to reduced energy lifts, and uses 100% reusable energy. Britannia's prioritisation of an energy efficient building when selecting a corporate headquarters displays both a personal commitment to corporate sustainability, and national support to the UK's ambition of achieving net zero carbon emissions by 2050.

Recycling capabilities within the office are of an upmost priority, both food/general waste and confidential waste are recycled wherever possible. With over 93% of our current waste being recycled, employees are incentivized to dispose of waste responsibly wherever possible to further contribute to our company's aim of zero net waste.

In furtherance to our recycling endeavours, Britannia is committed to promoting sustainability and supporting our environment. Our partnership with Fruitful office has allowed for 72 trees to be planted on our behalf between October and December 2022, a statistic we hope to build upon in the next year.

Lastly, BGM's asset management division has made the decision to invest primarily in energy companies, where they are focused on either renewable energy, or on improving efficiency via services or technology.

BGM strives to be an engaged member of the communities in which we operate. To this end, the Company is in the process of implementing an employer-supported volunteering program, in which all employees will be given 1 company paid day every year to pursue their own volunteering endeavours for a charity of their choice.

BGM participates in several 'in-office' schemes to encourage staff to take small steps towards supporting the local community. One example of which is Britannia's partnership with Hands on London, in which employees are encourages to bring old coats to the office as part of their 'Wrap up London' winter campaign. Other examples include food bank collections and coffee morning collections, in which staff are encouraged to bring in baked goods and donate to a selected charity, boosting employee morale and charitable donation efforts simultaneously.

BGM is committed to supporting all employees to the highest degree, to this end the company provides full comprehensive healthcare coverage including unlimited mental health support under the Company medical plan at no cost to employees and their dependents.

BGM now employs a hybrid working environment, with a flexible work-from-home policy and a budget permitted to each employee for home working equipment, and Britannia now supports a cycle to work scheme for all UK employees. Subsequent events are outlined in note 25.

Strategic Report (continued)

For the year ended 31 December 2022

Statement of private company governance arrangements

For the year ended 31 December 2022, in accordance with the guidance provided in the Wates Corporate Governance Principles for Large Private Companies (the 'Wates Principles'), the directors have a clear understanding of their duties as directors and are kept informed of any updates on corporate governance by senior management and external counsel. Pursuant to their duties under section 172(1) of the Act, the Directors have implemented an effective system of internal controls and management of the company's affairs, which protects the interests of its sole shareholder and has regard to the interests of the company's other stakeholders (see Section172(1) statement) While the Directors are actively involved in the running of the company, there is an appreciation that they cannot opine on or approve all decisions taken on a day-to-day basis. In order to ensure good governance, the Directors have devolved certain responsibilities to senior management. Such responsibilities include advancing the interests of the Company's stakeholders.

The Directors recognize that they must engage directly with and foster good stakeholder relationship, in particular with employees. Employees are encouraged to raise ideas or air views either directly with the Directors or indirectly via senior management who can address issues raised on an anonymous basis.

The Directors, along with the senior management of the company, ensure that appropriate remunerations is offered to employees. Remuneration is reviewed annually and linked to an employee's performance. The company's approach to remuneration is to incentivize and reward performance aligned with the company's purpose, culture and goals, thereby encouraging participation and behaviour consistent with enhancing the reputation of the company and the Group as a whole.

This report was approved by the Board on 03 August 2023 and signed on its behalf, by:

Stephen Pettitt

Director

Independent Auditor's Report to the Members of Britannia Global Markets Limited

For the Year Ended 31 December 2022

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 Britannia Global Markets Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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.

Independent Auditor's Report to the Members of Britannia Global Markets 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.

Responsibilities of Directors

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

Independent Auditor's Report to the Members of Britannia Global Markets Limited (continued)

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 have obtained an understanding of the legal and regulatory framework applicable to Company and have enquired of management to identify how the Company is complying with those frameworks and whether there were any known instance of non-compliance.

- We considered the Company's control environment that has been established to prevent, detect and deter fraud. We then assessed the risk of susceptibility of the Company's financial statements to material misstatement, including how fraud might occur.

- Our assessment of the Company's revenue cycle identified that it is largely automated in nature, we tested the reconciliation of trading data to the trial balance on a total basis and tested a sample of reconciling items. We performed sample testing to agree trades back to source documentation.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger.

- We consider the following to be risk areas for potential fraudulent financial reporting given the high level of judgement and estimation involved: carrying value of investments and impairment of financial assets. Our audit procedures have focused on significant judgements made by management, and we have evaluated whether there was any evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor's Report to the Members of Britannia Global Markets Limited (continued)

- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including any specialists, to ensure we remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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:
Andrew Barclay
298E77467C494FE...

Andrew Barclay (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
03 August 2023

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

Statement of comprehensive income

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Turnover	4	48,541,360	39,020,986
Cost of sales		(28,852,470)	(24,911,382)
Gross profit		**19,688,890**	**14,109,604**
Administrative expenses		(25,628,945)	(16,477,426)
Other income		5,757,877	1,955,650
Operating profit / (Loss)		**(182,178)**	**(412,172)**
Interest receivable and similar income		196,666	218,835
Profit / (loss) before tax		14,488	(193,337)
Tax credit / (charge) on profit / (loss)	11	(92,686)	34,214
Profit / (loss) for the financial year		**(78,198)**	**(159,123)**

All amounts relate to continuing operations.

There was no other comprehensive income for the year ended 31 December 2022 or for the year ended 31 December 2021.

The notes on pages 19 to 37 form part of these financial statements.

Statement of financial position

For the year ended 31 December 2022

	Note		2022		2021
			£		£
Fixed assets					
Intangible assets	12		515,000		575,000
Tangible assets	13		5,816,117		6,477,985
Investments	14		1,514,785		1,514,785
			7,845,902		**8,567,770**
Current assets					
Debtors	15	32,044,548		14,780,121	
Reverse repo agreements	19	17,881,220		-	
Cash at bank and in hand	16	78,116,039		41,170,132	
		128,041,807		**55,950,253**	
Obligation under repo agreements	19	(9,041,448)		-	
Creditors: amounts falling due within one year	17	(90,445,204)		(28,038,768)	
Net current assets			28,555,155		**27,911,485**
Total assets less current liabilities			36,401,057		**36,479,255**
Net assets			36,401,057		**36,479,255**
Capital and reserves					
Called up share capital	21		23,856,472		23,856,472
Profit and loss account			12,544,585		12,622,783
			36,401,057		**36,479,255**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 03 August 2023.

Stephen Pettitt

Director

The notes on pages 19 to 37 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 Jan 2021	**17,820,801**	**12,781,906**	**30,602,707**
Comprehensive income for the period			
Loss for the year	-	(159,123)	(159,123)
Total comprehensive income / (loss) for the period	-	(159,123)	(159,123)
Shares issued during the year	6,035,671	-	6,035,671
At 1 January 2022	23,856,472	12,622,783	36,479,255
Comprehensive income for the year			
Profit for the year	-	(78,198)	(78,198)
Total comprehensive income for the year	**-**	**(78,198)**	**(78,198)**
Shares issued during the year	-	-	-
At 31 December 2022	**23,856,472**	**12,544,585**	**36,401,057**

Notes to the financial statements

For the year ended 31 December 2022

1. General information

Britannia Global Markets Limited is a private company limited by shares and was incorporated in England and Wales. The principal place of business and registered office of the company is Level 29, 52 Lime Street, London, EC3M 7AF. The registered number of the company is 01969442.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

Under section 402 of the Companies Act 2006, the company is exempt from the requirements to prepare group accounts. Under section 405(2), its subsidiary undertaking can be excluded from consolidation in Companies Act group accounts as it is not material for the purposes of giving a true and fair view.

2.3 FRS 102 – disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- The requirements of Section 7 Statement of Cash Flows; and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Britannia Financial Group Limited as at 31 December 2022 and these financial statements may be obtained from The Registrar of Companies.

2.4 Going concern

The directors have considered the impact of the Russian invasion of Ukraine on the company's operations, with a particular focus on its effect on the company's customers and suppliers, and on the availability of financial support from the company's parent undertaking. The subsequent bear market, and increased energy prices and inflation, constituted a difficult macro-economic environment, however BGM has been well placed to respond to this. Increased volatility has been constructive for BGM's revenue lines, and a high interest rate environment presents its own opportunities for companies in the financial sector.

As such, the directors do not consider this to be a cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans.

Notes to the financial statements

For the year ended 31 December 2022

Going Concern (continued)

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the directors have considered the following: budgeted and projected results of the business, projected cash flow and the risks that could impact on the company's liquidity and capital over the next twelve months. The financial statements have therefore been prepared on a going concern basis.

2.5 Turnover

Turnover represents the net income from fixed income, asset management and Broking in foreign exchange, equities and derivatives contracts including Contracts for Differences ('CFDs') and Spread Betting. In 2022 new products have been launched, mainly securities financing transactions (covering repos, reverse repos and stock lending). The turnover is recognised on a trade date basis.

Commissions received represents the net income from asset management and broking in foreign exchange, equities and derivatives contracts including Contracts for Difference.

Interest received represents net interest received in relation to client trading accounts.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

- The amount of turnover can be measured reliably
- It is probable that the company will receive the consideration due under the contract
- The stage of completion of the contract at the end of the reporting period can be calculated accurately; and
- The costs incurred and the costs to complete the contract can be determined consistently

2.6 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Notes to the financial statements

For the year ended 31 December 2022

Foreign currency translation (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.8 Interest income and expense

Interest receivable and payable is recognised in the profit or loss using the effective interest method.

Interest receivable represents amounts received on cash and cash equivalents. Interest is accrued daily on balances held at the end of each day.

2.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the financial statements

For the year ended 31 December 2022

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful life is as follows:

Other Intangibles	-	10 years

Intangible assets under construction are not available for us as intended by management and so are not amortised.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	11%
Office equipment	-	20%
Fixtures and fittings	-	7-20%
Computer equipment	-	15-20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Notes to the financial statements

For the year ended 31 December 2022

2.13 Financial instruments other than Repurchase and Reverse Repurchase Agreements

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective Valuation of investments

Investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Further breakdown of financial instruments by classification is highlighted on Note 20.

2.14 Valuation of investments

Investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

2.15 Repurchase and reverse repurchase agreement

When securities financing instrument, such as repo, reverse repo or stock lending is recognised initially, BGM measures it at amortised cost, which is normally the transaction price adjusted for transaction costs. Subsequent measurement accounts for the accrued interest on the financing agreement.

The securities involved in such transactions are revalued daily using the close of business Bloomberg's securities prices to calculate the potential margin calls.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the financial statements

For the year ended 31 December 2022

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Client monies and client assets

The company holds money and assets on behalf of clients in accordance with the client money rules of its regulator.

Client monies and Client Assets held in segregated bank and settlement accounts in accordance with these rules and the corresponding liabilities to these clients are not recognised on the Statement of financial position. Under

FCA rules, the firm is required to top up Client money bank accounts for any deficits and this is recognised on the company's balance sheet under amounts due from counterparties (note 15).

Client monies held in non-segregated bank and settlement accounts and the corresponding liabilities are recognised on the Statement of financial position in cash and cash equivalents, amounts due from third parties (non-seg) and amounts due to non-segregated clients.

At 31 December 2022, amounts held by the company on behalf of segregated clients in accordance with the Client Assets Rules of the FCA are as stated in note 16.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Other operating income

Other operating income is derived from recharges on a cost- and cost-plus basis, of facilities shared with other Group companies. The allocation is determined based on the specific usage throughout the year.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors do not consider there to be any significant judgements or key sources of estimation uncertainty involved in the preparation of these financial statements, other than regarding the treatment of client money, treatment of tangible and intangible assets, valuation of investments which are measured at fair value and the recognition of a deferred tax asset.

Notes to the financial statements

For the year ended 31 December 2022

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risk and reward of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Other key sources of estimation uncertainty include:

- Provisions are made where an event has taken place that gives the Group a legal or constructive obligation at the year end. Estimates, assumptions, and judgments relate to the determination or carrying value of these provisions. This includes an estimate for the costs to settle any outstanding claims against the Group.

4. Turnover

The analysis of the company's turnover for the year/period from continuing operations is as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Interest received (including securities financing)	9,211,116	1,331,125
Commissions and fees received from F&O	27,315,572	37,689,861
Commissions and fees received from Asset Management	2,036,513	-
Mark-up (Fixed Income and FX)	9,978,159	-
	48,541,360	**39,020,986**

All turnover arose from activities performed within the United Kingdom.

5. Other operating income

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Other operating income	5,757,877	1,995,650
	5,757,877	**1,995,650**

The other operating income consists of re-charges of rent and other costs to related parties.

Notes to the financial statements

For the year ended 31 December 2022

6. Operating loss

The operating loss is stated after charging:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Foreign exchange gain/ (losses)	(1,222,816)	10,473
Defined contribution pension scheme	378,913	190,934
Depreciation	964,570	842,589
Amortisation of intangibles	60,000	25,000
Operating lease costs – computer system	840,767	582,043
Operating lease costs - property	1,798,998	1,207,809

7. Auditor's remuneration

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	450,000	110,000
CASS audit	95,000	-
Tax advisory	20,200	-

Notes to the financial statements

For the year ended 31 December 2022

8. Staff costs and average number of employees

Staff costs, including directors' remuneration, during the year were as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Wages and salaries	14,690,123	11,875,061
Social security costs	2,018,678	1,519,521
Company contributions to defined contribution pension schemes	378,913	192,594
	17,087,714	**13,587,176**

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Directors	3	4
Administration and support	68	37
Sales	49	38
	120	**79**

9. Directors' remuneration

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Directors' emoluments	550,962	250,000
Other Benefits	5,064	-
Company contributions to defined contribution pension schemes	19,554	7,500
	575,580	**257,500**

The highest paid director received remuneration of £250,000 (2021 - £250,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2021 - £7,500).

Notes to the financial statements

For the year ended 31 December 2022

10. Interest receivable

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Other finance income	196,666	218,835
	196,666	**218,835**

11. Taxation

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	92,686	(19,062)
Adjustments in respect of prior periods	-	(545)
Effect of changes in tax rates	-	(14,607)
Total deferred tax	**92,686**	**(34,214)**
Taxation credit / (charge) on (loss) / profit on ordinary activities	**92,686**	**(34,214)**

Notes to the financial statements

For the year ended 31 December 2022

Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
(Loss) / Profit on ordinary activities before tax	14,488	(193,337)
Loss / (Profit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	2,753	(36,734)
Effects of:		
Accelerated capital allowances	28,314	(5,161)
Expenses not deductible for tax purposes	39,375	27,408
Adjustments to tax charge in respect of previous periods	-	(545)
Rounding	(1)	
Remeasurement of deferred tax for changes in tax rates	22,245	(19,182)
Total tax credit / (charge) for the year	**92,686**	**(34,214)**

Factors that may affect future tax charges

The government has announced its intention to increase the corporation tax rate to 25% from 1 April 2023. This tax rate increase legislation was substantially enacted on 24 May 2021. The deferred tax provision has therefore accordingly been recognised at this future tax rate.

A deferred tax liability of £12,761 (Deferred tax asset 2021 - £79,925) measured at 25%, being the rate that was substantively enacted at the reporting date, has been recognised in respect of taxable losses carried forward.

Notes to the financial statements

For the year ended 31 December 2022

12. Intangible assets

	Other intangibles	Total
	£	£
Cost		
At 1 January 2022	600,000	600,000
Additions	-	-
At 31 December 2022	**600,000**	**600,000**
Amortisation		
At 1 January 2022	25,000	25,000
Charge for the year	60,000	60,000
At 31 December 2022	**85,000**	**85,000**
Net book value		
At 31 December 2022	**515,000**	**515,000**
At 31 December 2021	575,000	575,000

Notes to the financial statements

For the year ended 31 December 2022

13. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings (including specialised furniture) £	Office equipment £	Computer equipment £	Total £
Cost or valuative					
At 1 January 2022	4,878,251	872,369	1,418,373	604,341	7,773,334
Additions	97,636	-	157,082	47,984	302,702
At 31 December 2022	**4,975,887**	**872,369**	**1,575,455**	**652,325**	**8,076,036**
Depreciation					
At 1 January 2022	667,411	75,884	459,636	92,418	1,295,349
Charge for the year	550,456	59,559	260,742	93,813	964,570
At 31 December 2022	**1,217,867**	**135,443**	**720,378**	**186,231**	**2,259,919**
Net book value					
At 31 December 2022	**3,758,020**	**736,926**	**855,077**	**466,094**	**5,816,117**
At 31 December 2021	**4,210,840**	**796,485**	**958,737**	**511,923**	**6,477,985**

14. Fixed asset investments

	Investment in subsidiary undertaking £	Unlisted investments £	Total £
Cost			
At 1 January 2022	1,000	1,513,785	1,514,785
Additions	-	-	-
At 31 December 2022	1,000	1,513,785	1,514,785

The company currently holds 25,000 B shares in LME Holdings Limited (held at a total initial cost of £1.5m) as part of its membership of the London Metal Exchange. These shares are a minimum requisite for membership to the London Metal Exchange. These are non-listed investments as there is no active market for these shares. This investment has been valued at amortised cost at the reporting date and there was no impairment.

Notes to the financial statements

For the year ended 31 December 2022

Fixed asset investments (continued)

Subsidiary undertaking

At 31 December 2022, the following was a subsidiary undertaking of the company:

Name	Type of share	Class of shares	Holding
Britannia Global Markets Nominees Limited	Ordinary	100%	1,000

The registered office of Britannia Global Markets Nominees Limited is Level 29, 52 Lime Street, London, EC3M 7AF. The subsidiary operates as a nominee company.

15. Debtors

	Year ended 31 December 2022	Year ended 31 December 2021
Amounts: Due less than one year		
	£	£
Amounts due from counterparties – seg	3,517,497	766,699
Amounts due from counterparties – non-seg	10,654,464	477,812
Amounts owed by group undertakings	11,672,616	8,071,414
Other debtors	1,729,876	2,423,933
Prepayments and accrued income	4,470,095	2,960,338
Deferred taxation (see note 18)	-	79,925
	32,044,548	**14,780,121**

Included in other debtors are rental deposits of £853,227 (2021 - £853,226) and deposits at Exchanges (LME and DGCX) of £207,228 (2021 - £997,561) due after more than one year. Amounts owed by group undertakings are unsecured, repayable on demand and no interest is receivable. These amounts already take into account any bad debt provisions or impairments carried out in the year.

16. Cash and cash equivalents

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Bank current accounts - own funds	3,019,653	4,026,348
Bank current accounts - client funds (non-seg)	65,467,256	21,937,844
Short term investments	9,629,130	15,205,940
	78,116,039	**41,170,132**

Notes to the financial statements

For the year ended 31 December 2022

. Cash and cash equivalents (continued)

Not included in cash and cash equivalents was cash held in segregated bank accounts of £430,835,0000 (2021 - £442,686,000). Client monies comprise individual client funds held in segregated client money accounts or money market facilities established under the UK's Financial Conduct Authority (FCA) CASS rules. Such monies are not included in the company's statement of financial position.

The surplus on client money reporting is included on balance sheet in the Amounts due from counterparties - seg - see note 15.

17. Creditors: amounts falling due within one year

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Trade creditors	1,350,835	2,791,120
Amounts due to counterparties – non-seg	49,314,499	11,834,919
Amounts owed to group undertakings	33,156,499	483,513
Other taxation and social security	436,832	415,796
Loan payable to counterparty	-	7,252,040
Other creditors	350,373	260,034
Deferred Tax (see note 18)	12,761	-
Accruals and deferred income	5,823,405	5,001,346
	90,445,204	**28,038,768**

The Loan Facility with the ultimate parent is unsecured, repayable at 30 days notice. All other amounts owed to group undertakings are unsecured, repayable on demand.

The Loan payable to a counterparty in 2021 was a secured trading facility against client positions that was fully repaid in 2022.

18. Deferred taxation

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
At beginning of year	79,925	45,711
Credited / (Charged) to profit or loss	(92,686)	34,214
At end of year	**(12,761)**	**79,925**

Notes to the financial statements

For the year ended 31 December 2022

Deferred taxation (continued)

The deferred tax asset is made up as follows:

Losses and other deductions	444,891	601,919
Fixed asset timing differences	(457,652)	(521,994)
	(12,761)	**79,925**

There are no unrecognised losses at 31 December 2022 (2021 – nil).

19. Repurchase and Reverse Repurchase Agreements

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Reverse Repurchase agreements	17,881,220	-
Obligations under repurchase agreements	(9,041,448)	-
Net Position	**8,839,272**	-

As of 31st December 2022, BGM has repurchase and reverse repurchase agreements with eligible counterparties and measured them at amortised cost.

Notes to the financial statements

For the year ended 31 December 2022

20. Breakdown of financial instruments

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Financial assets measured at amortised cost		
Cash	78,116,039	41,170,132
Reverse repo agreements	17,881,220	-
Other receivables	27,574,452	11,739,858
	123,571,711	**52,909,990**
Financial assets measured at cost less impairment		
Investments	1,514,785	1,514,785
Financial liabilities measured at amortised cost		
Other payables	(51,102,166)	(15,525,349)
Obligations under repo agreements	(9,041,448)	-
Loans	(33,156,499)	(7,252,040)
	(93,300,113)	**(22,777,389)**

21. Share capital

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Allocated called up and fully paid		
23,856,472 (2021 – 23,856,472) Ordinary shares of £1.00 each	**23,856,472**	**23,856,472**

During the year, no ordinary shares were issued at par (2021 – 6,035,671).

22. Reserves

Profit and loss account

The profit and loss account includes all current and prior periods' retained earnings.

23. Contingent liabilities

There were no contingent liabilities at 31 December 2022 (2021 – nil).

24. Capital commitments

The company had no capital commitments at 31 December 2022 (2021 – nil).

Notes to the financial statements

For the year ended 31 December 2022

25. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £421,460 (2021 - £190,934). Contributions totalling £91,873 (2021 - £49,655) were payable to the fund at the reporting date.

26. Commitments under operating leases

At 31 December 2022, the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Not later than 1 year	2,112,440	2,245,073
Later than 1 year and not later than 5 years	6,373,010	7,071,385
Later than 5 years	4,221,305	5,635,370
	12,706,755	**14,951,828**

The total future minimum lease payments are split between property leases of £11,291,630 (2021 - £12,838,328) and computer system leases of £1,415,125 (2021 - £2,113,500).

27. Subsequent events

There were no material adjusting events prior to the date of signing this report.

28. Related party transactions

The financial statements do not include disclosure of transactions between the company and other entities which are wholly owned within the group headed by Britannia Financial Group Limited. This is because as a subsidiary whose shares are 100% controlled within the group, the company is exempt from the requirement to disclose such transactions, under Financial Reporting Standard 102 paragraph 33.1A Related Party Disclosures.

Other related parties

During the year, a salary of £75,168 (2021 - £82,000) was paid to a close family member of a director.

Notes to the financial statements

For the year ended 31 December 2022

29. Ultimate parent / controlling party

The parent of the company is Britannia Financial Group Limited, which holds 100% of the share capital of the company.

The largest and smallest group of undertakings for which consolidated financial statements are prepared of which the company is a member is that headed by Britannia Financial Group Limited. The registered office address of Britannia Financial Group Limited is Floor 28, 52 Lime Street. London EC3M 7AF.

The ultimate controlling party is the Geneva Trust company, a trust registered in Switzerland, by virtue its 100% shareholding in Britannia Financial Group Limited.