

# ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

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COMPANIES HOUSE

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED  
REGISTERED NO. 02112588  
FOR THE YEAR ENDING 30 JUNE 2022

London  
&Capital

# STRATEGIC REPORT

## FOR THE YEAR ENDED 30 JUNE 2022

### BUSINESS REVIEW AND PRINCIPAL ACTIVITY

London and Capital Asset Management Limited ("the Company") is a wholly owned subsidiary of London and Capital Group Limited. The Company's principal activity is the provision of wealth and asset management services to private and institutional clients based in the UK and other countries around the world.

The Company is focused on growing Assets Under Management ("AUM") across each of its Private Investment Office and Institutional divisions and increasing its overall profitability. Despite challenging market conditions over the past twelve months, the Company increased its AUM to £2.22bn (2021: £2.16bn). This was achieved through strong net new business generated during the year offsetting the impacts of market performance on total AUM.

The parent Company continues to invest in new technology and processes and people, to improve the scalability of the business and to enhance the client proposition and to cater for the continued strong growth in the business.

SPECIFIC DETAIL ON KPI'S IS PROVIDED BELOW:

		30 JUNE 2022	30 JUNE 2021	INCREASE
		£	£	%
AUM (£'000)	Performance	2,215,648	2,161,182	3%
REVENUE (£'000)	Performance	10,952	10,081	9%

The parent Company continues to provide infrastructure and support services to the Company for the operation of its business.

The Company remains well placed to continue its strategy of growing its AUM and improving its profitability.

### ACQUISITION BY LOVELL MINNICK PARTNERS ("LMP") AND LIKELY FUTURE DEVELOPMENTS

On 2 June 2022, the shareholders of the parent Company entered an agreement with LMP, a US based private equity firm, for them to acquire a controlling interest in the Group. The transaction is expected to complete after the finalisation of the annual report and accounts and is subject to change of control authorisation from the Spanish regulator. The necessary formalities and approvals of the FCA (UK) and SEC (US) have been fulfilled.

Post-completion the Group will continue to be led by the existing management team, which will retain a significant minority stake in the Company. The Group intends to continue to pursue its pre-existing strategy, but the benefit of additional investment and strategic support from LMP will also allow us to expand our client solutions, grow internationally, invest further in technology, and bring on new teams.

### IMPACT OF THE WAR IN UKRAINE

The Group has not suffered any direct impact as a result of the war in Ukraine, but has been indirectly affected by the consequent impact on global financial markets, inflation and interest rates. Whilst this effect has resulted in a short-term reduction in profitability, it remains comfortably within the operating tolerances of the Group and will not affect the longer-term prospects of the Group.

### STREAMLINED ENERGY AND CARBON REPORTING

In terms of the new Environment Reporting Guidelines, the Group is required to disclose the annual quantity of emissions, for which the Group is directly or indirectly responsible, together with the quantity of energy consumed.

For the 2022 financial year, the Group utilised 109,750 kwh of electricity and 22,318.7 kgCO<sub>2</sub>e. The calculation is based on actual meter readings, where applicable.

As the majority of the companies within the Group occupy the same premises, the energy consumption is disclosed at a Group level. The Group's annual energy consumption as a percentage of total Group admin expenses is 0.1%.

# STRATEGIC REPORT (CONTINUED)

## FOR THE YEAR ENDED 30 JUNE 2022

### BREXIT

On 25 March 2022, London and Capital Wealth Management Europe, A.V, Sociedad Anonima ("LCE") received final authorisation from the Spanish regulator, the *Comisión Nacional del Mercado de Valores* ("CNMV"). All EU resident clients have subsequently been formally transferred from the Group's UK based subsidiaries to LCE. This transfer will not affect the Group consolidated income and we are excited with the growth prospects that LCE will provide through access to the EU market.

### SECTION 172 STATEMENT

The Company's first priority is its clients. Clients expect the Company to have a clear focus on their financial and investment needs; to offer continuity of process, performance and people; to provide high quality advice and a consistent investment approach; to ensure an alignment of interests between the Company and themselves; and to embrace values appropriate to the Company's fiduciary obligations.

The Company identifies its other immediate stakeholders as its employees, suppliers and shareholders and organises itself in a way that is beneficial to their respective interests. The Company treats its stakeholders fairly and aims to ensure that all stakeholders benefit from the successful delivery of the business plan.

The Company's employees can expect stable and secure employment, which is fairly compensated and aligned with the Company's own success. Employees have the opportunity to pursue and develop their careers within a firm which is operating at the top end of the wealth management profession.

Finally, the Company aims to be a good business citizen. The Company contributes, directly and indirectly, tax revenues to the UK. It also provides direct and indirect employment to many individuals.

### RISK MANAGEMENT

The Board considers the principal risks and uncertainties facing the Company to comprise reputational, regulatory, strategic, credit and liquidity risks.

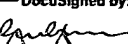
- **Reputational Risk**  
The Board considers a loss of reputation to be the most significant risk to a business operating in this sector but that this risk would crystallise only as a consequence of a failure in managing the Company's other principal risks.
- **Regulatory Risk**  
The Board monitors actual and pending changes in regulations in order to assess the impact on the business and ensure that it has sufficient resources to implement any necessary changes.
- **Strategic Risk**  
This risk results from external factors and inadequate senior management processes that could lead to a significant failure of the strategy of the Company as a whole. The risk is mitigated by a well-established reporting structure for agreeing strategy, risk, planning and budgets.
- **Credit Risk**  
Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Management monitors exposure to credit risk through regular review of credit exposure, assessing credit-worthiness of counterparties and prudent estimates of provision for doubtful debts. Due to the nature of financial assets, the Company believes that other than inter-company balances it is not exposed to any major concentration of credit risk.
- **Liquidity Risk**  
Liquidity risk is the risk that the Company will be unable to meet its financial requirements. To guard against this risk, assets are managed with liquidity in mind maintaining a balance of cash and cash equivalents. The maturity profile is monitored to ensure adequate liquidity is maintained.

# STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

## RISK MANAGEMENT (CONTINUED)

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

BY ORDER OF THE BOARD

DocuSigned by:  
  
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G A MCGLASHAN  
Director

DATE: 18 October 2022

# DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Board is pleased to present their Report and the audited financial statements of the Company for the year ended 30 June 2022.

## RESULTS AND DIVIDENDS

The Company's results for the year are given in the statement of comprehensive income on page 9.

The Director proposed and paid a dividend to London and Capital Group Limited of £350,000 (2021: £900,000).

## DIRECTORS

The Directors in office throughout the year were as follows:

D T E Crabb

I Tait

J A Hamper

G A McGlashan

P Morilla-Giner

S T Murphy

R C Paul (26/11/2021)

## CHARITABLE DONATIONS

During the year the Company made charitable donations of £600 (2021: £Nil).

## REGULATIONS

The Company is authorised and regulated by the Financial Conduct Authority in the UK.

## DIRECTORS INDEMNITIES

Qualifying third-party indemnity is provided to the directors of the Company against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity was in force during the financial year and up to the date of approval of the financial statements.

## CLOSE COMPANY

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

## AUDITORS

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

01. so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
02. the Director has taken all the steps that he ought to have taken in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

## REGISTERED OFFICE

Two Fitzroy Place  
8 Mortimer Street  
London  
W1T 3JJ

## BY ORDER OF THE BOARD

DocuSigned by:



E2F928C2854041F...  
G A McGlashan

Director

Dated: 18 October 2022

DocuSigned by:



24051DCF494341E...  
J A Hamper

Director

Dated: 18 October 2022

## STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2022

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). 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 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON AND CAPITAL ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 30 JUNE 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 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of London & Capital Asset Management Limited ("the Company") for the year ended 30 June 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.

## 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON AND CAPITAL ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 30 JUNE 2022

## 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 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 laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the accounting standards and the Financial Conduct Authority's regulations.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management; and
- review of minutes of board meetings throughout the period.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON AND CAPITAL ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 30 JUNE 2022

## EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD (CONTINUED)

We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

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.

Justin Chait (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

DocuSigned by:  
  
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Date: 18 October 2022

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

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

		<b>YEAR ENDED 30 JUNE 2022</b>	<b>YEAR ENDED 30 JUNE 2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
REVENUE	(02)	10,951,519	10,081,327
ADMINISTRATIVE EXPENSES		(9,530,877)	(9,045,379)
EXCEPTIONAL (COSTS) / INCOME	(03)	52,428	(124,195)
<b>OPERATING PROFIT</b>		<b>1,473,070</b>	<b>911,753</b>
NET FINANCE INCOME / (LOSS)	(04)	99,322	(46,082)
<b>PROFIT BEFORE TAX</b>	(05)	<b>1,572,392</b>	<b>865,671</b>
TAX EXPENSE	(06)	(134,446)	(108,610)
<b>PROFIT AFTER TAX</b>		<b>1,437,946</b>	<b>757,061</b>
OTHER COMPREHENSIVE INCOME		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,437,946</b>	<b>757,061</b>

The notes on pages 12 to 19 form an integral part of these financial statements.

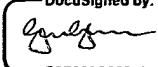
**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**


		<b>SHARE CAPITAL</b>	<b>RETAINED EARNINGS</b>	<b>TOTAL EQUITY</b>
	Notes	£	£	£
<b>AS AT 30 JUNE 2020</b>		<b>65,000</b>	<b>1,742,825</b>	<b>1,807,825</b>
<b>PROFIT FOR THE YEAR</b>		-	<b>757,061</b>	<b>757,061</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		-	<b>757,061</b>	<b>757,061</b>
<b>DIVIDENDS PAID</b>	(14)	-	<b>(900,000)</b>	<b>(900,000)</b>
<b>AS AT 30 JUNE 2021</b>	(15)	<b>65,000</b>	<b>1,599,886</b>	<b>1,664,886</b>
<b>PROFIT FOR THE YEAR</b>		-	<b>1,437,946</b>	<b>1,437,946</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		-	<b>1,437,946</b>	<b>1,437,946</b>
<b>DIVIDENDS PAID</b>	(14)	-	<b>(350,000)</b>	<b>(350,000)</b>
<b>AS AT 30 JUNE 2022</b>	(15)	<b>65,000</b>	<b>2,687,832</b>	<b>2,752,832</b>

# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

		YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	Notes	£	£
<b>NON-CURRENT ASSETS</b>			
INVESTMENTS	(09)	1	1
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
TRADE AND OTHER RECEIVABLES	(10)	4,978,675	3,213,113
CASH AND CASH EQUIVALENTS	(11)	1,102,200	923,733
<b>TOTAL CURRENT ASSETS</b>		<u>6,080,875</u>	<u>4,136,846</u>
<b>TOTAL ASSETS</b>		<u>6,080,876</u>	<u>4,136,847</u>
<b>CURRENT LIABILITIES</b>			
TRADE AND OTHER PAYABLES	(12)	(3,328,044)	(2,471,961)
<b>TOTAL CURRENT LIABILITIES</b>		<u>(3,328,044)</u>	<u>(2,471,961)</u>
<b>TOTAL LIABILITIES</b>		<u>(3,328,044)</u>	<u>(2,471,961)</u>
<b>NET ASSETS</b>		<u>2,752,832</u>	<u>1,664,886</u>
<b>CAPITAL AND RESERVES</b>			
CALLED UP SHARE CAPITAL	(15)	65,000	65,000
RETAINED EARNINGS		2,687,832	1,599,886
<b>TOTAL CAPITAL AND RESERVES</b>		<u>2,752,832</u>	<u>1,664,886</u>

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

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**G A McGlashan**  
 Director  
 Date: 18 October 2022

DocuSigned by:  
  
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**J A Hamper**  
 Director  
 Date: 18 October 2022

The notes on pages 12 to 19 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2022

### 01. ACCOUNTING POLICIES

#### a) Statement of compliance

London & Capital Asset Management Limited is a private limited Company incorporated in England and limited by shares. The Registered Office is Two Fitzroy Place, 8 Mortimer Street, London, W1T 3JJ, UK.

The Company's financial statements have been prepared in accordance with the Financial Reporting Standard 102 issued by the Financial Reporting Council. They are presented in Pounds Sterling (GBP), the Company's functional currency.

#### b) Basis of preparation

These financial statements are for the year ended 30 June 2022. They have been prepared on a going concern basis, applying the historical cost convention in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 and the Companies Act of 2006.

#### Going Concern

The Board has taken the guidance issued by The Financial Reporting Council in April 2016 as best practice for the Company and has conducted a thorough review of the business and its cash flows. The Company has considerable Assets under Management on which it earns fees and continues to successfully generate new business from different sectors. The Company's forecast and projections show that the Company has sufficient working capital to meet its day-to-day requirements for the foreseeable future. As a consequence, the Board believes that the Company is well placed to manage its business risks successfully. Accordingly, the Board continues to adopt the going concern basis in preparing the annual report and accounts.

#### c) Revenue

For policies impacted by the Retail Distribution Review, the Company recognises legacy commission received on a renewal and indexation commission basis.

Financial advice and investment management fees are accounted for on an accrual basis representing amounts receivable for services provided. Revenue is measured at the fair value of the consideration received or receivable.

#### d) Taxation

Current Tax, including United Kingdom corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Full provision is made for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation. Deferred tax assets are recognised to the extent that they are regarded as recoverable and 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.

#### e) Expenses

Expenses are accounted for on an accruals basis. The parent Company makes a charge to its subsidiaries on an annual basis, provided for quarterly, which is comprised of a recharge of all pre-tax costs plus 5% of the Company. This agreement is deemed to be at arm's length.

#### f) Investments

Investments in subsidiary undertakings are accounted for under the cost model and measured at cost less any accumulated impairment losses. Any dividends and other distributions received from the investment are recorded in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 30 JUNE 2022

### 01. ACCOUNTING POLICIES (CONTINUED)

#### g) Exemption from preparing consolidated financial statements

In accordance with section 400 of the Companies Act 2006 the Company is not required to prepare consolidated financial statements on the grounds that it is a wholly owned subsidiary of a parent undertaking, London and Capital Group Limited, established under the law of the UK.

#### h) Foreign currencies

Transactions in foreign currencies are recorded at the rate effective for sterling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange effective at the year-end date. All differences are taken to profit or loss.

#### i) Exemption from preparing a cash-flow statement

The Company is exempt from the requirements of FRS 102 [Section 1 paragraph 1.12 (d)] to prepare a cash-flow statement. The exemption applies because the Company is the wholly-owned subsidiary of London and Capital Group Limited, which prepares publicly available consolidated financial statements that include the Company.

#### j) Trade and other receivables

Short term receivables 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.

#### k) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

Cash and cash equivalents held in foreign currency are revalued based on the relevant exchange rates at the reporting dates.

#### l) Financial assets and liabilities

##### *Initial recognition and measurement*

Financial instruments are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument, however the Company typically does not enter into such arrangements.

##### *Classification*

All financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS 102.

##### *Subsequent measurement*

Debt instruments (including trade accounts receivable or payable) are measured at amortised cost, using the effective interest method. As all trade receivables and trade payables are expected to be received or paid within 12 months, they are recognised at an undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount less any payments made on account.

#### m) Critical accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 30 JUNE 2022

### 01. ACCOUNTING POLICIES (CONTINUED)

#### m) Critical accounting estimates and judgements (continued)

Actual results in the future could differ from such estimates. When preparing these financial statements management deem that there are no critical estimates or judgements to be made other than those listed below:

#### *Note 3*

Recognition of exceptional income, including key assumptions about the new business figures and attrition in determining the value of revenue to be recognised.

### 02. REVENUE

Revenue was derived from the principal activity of financial advice and investment management and is earned within the United Kingdom and Europe.

The Company has only one class of business and operates in the geographic segments mentioned above.

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Fund and adviser fee income	10,951,519	10,081,327
Total revenue	<u>10,951,519</u>	<u>10,081,327</u>

### 03. EXCEPTIONAL INCOME & COSTS

Exceptional income was derived as a result of the sale of a minor business segment to Foster Denovo in 2019, with an initial estimated final consideration before deal costs of £2,478,886. Revaluations and payments were made during each subsequent year, with the final payment received in December 2021, resulting in a gain of £52,428.

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Fair value adjustment on deferred consideration	52,428	(124,195)
	<u>52,428</u>	<u>(124,195)</u>

### 04. NET FINANCE INCOME / (LOSS)

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Net Finance Costs		
Other interest revenue	612	40
Foreign exchange gains / (losses)	98,710	(46,122)
	<u>99,322</u>	<u>(46,082)</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 30 JUNE 2022

### 05. PROFIT BEFORE TAX

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Profit before tax is stated after charging:		
Auditors' remuneration – Fees for the audit of the Company's accounts	(27,100)	(24,687)
Corporation tax filing fee	(3,217)	(3,135)
Exchange gains / (losses)	136,201	(277,417)

The Auditor's remuneration is billed to Group and apportioned to individual entities as reflected above.

### 06. TAX EXPENSE

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Total tax charge:		
Current tax	135,545	108,610
Deferred tax	-	-
Adjustment for prior periods	(1,099)	-
Total tax expense	134,446	108,610

Reconciliation of tax expense included in profit and loss and the tax assessed for the period at average rate of corporation tax in the UK:

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Profit on ordinary activities before tax	1,572,392	865,671
Profit on ordinary activities multiplied by the average corporation tax rate in the UK (19%) (2021: 19%)	298,754	164,477
Effects of:		
Expenses not deductible for tax purposes	4,791	1,063
Fixed asset differences	(32)	-
Adjustments to tax charge for prior periods	(1,099)	-
Group relief	(167,968)	(56,930)
Current tax charge / (credit) for the period	134,446	108,610



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 30 JUNE 2022

### 06. TAX EXPENSE (CONTINUED)

The applicable tax rate in the United Kingdom is 19% for 2022 (2021: 19%).

The Company has no carried forward tax losses available to offset against the taxable profits in the current year. (2021: same)

### 07. DIRECTORS REMUNERATION

The Directors were paid by the ultimate parent Company London and Capital Group Limited and their emoluments are disclosed in the financial statements of that Company. As a result, the emoluments of the highest paid Director were £Nil (2021: £Nil) and the Company made no contributions (2021: £Nil) to a defined contribution scheme on the Director's behalf.

The aggregate emoluments of all key management staff amounted to £Nil (2021: £Nil), with all key management staff also being employed by the Company's parent Company.

### 08. STAFF COSTS

All staff are paid by the ultimate parent Company, London and Capital Group Limited, and therefore all costs are disclosed in the financial statements of that Company.

### 09. INVESTMENTS

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Investments in subsidiaries	1	1
	<u>1</u>	<u>1</u>

The Company has investments in the following subsidiary undertakings:

COMPANY	REGISTERED	PRINCIPAL ACTIVITY	HOLDING	% OWNED
London and Capital Satellites Fund Management Limited	Cayman Islands	Dormant	Ordinary Shares	100%
London and Capital Satellites SPC	Cayman Islands	Dormant	Indirect management voting rights only	100%
Profit for the year ended 30 June 2022			£Nil	
Capital and reserves as at 30 June 2022			£Nil	

Due to a divestment in the operations of the London and Capital Group, all subsidiary holdings of the Company are now dormant or dissolved, with none operating during the current period.

London and Capital Satellites SPC is controlled by London and Capital Satellites Fund Management Limited, which holds the majority of management voting rights in that entity. As the Company owns 100% of the ordinary shares of London and Capital Satellites Fund Management Limited, it is deemed the Company has control over both entities.

As control is exercised through the holding of management shares for voting rights only, the Company does not participate in the profit and reserves of London and Capital Satellites SPC.

The subsidiary companies are no longer trading and are unaudited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022

10. TRADE AND OTHER RECEIVABLES

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Current portion (receivable within 12 months)		
Trade receivables	259,971	372,656
Prepayments and accrued income	2,033,131	2,524,220
Deferred revenue	-	100,000
Amounts owed from group undertakings	2,685,573	216,237
Other receivables	-	-
	<u>4,978,675</u>	<u>3,213,113</u>

11. CASH AND CASH EQUIVALENTS

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Balance with banks	1,102,200	923,733
	<u>1,102,200</u>	<u>923,733</u>

12. TRADE AND OTHER PAYABLES

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
Trade payables	170,653	85,473
Amounts owed to group undertakings	2,553,655	1,842,080
Accruals	202,552	118,653
Revenue received in advance	25,249	105,220
Other taxation and social security payables	94,261	100,793
Other payables	281,674	219,742
	<u>3,328,044</u>	<u>2,471,961</u>

13. FINANCIAL INSTRUMENTS

		YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	Notes	£	£
<b>Financial Assets</b>			
Financial assets measured at amortised cost			
Trade and other receivables	(10)	4,860,594	2,908,273
Cash and cash equivalents	(11)	1,102,200	923,733
		<u>5,962,794</u>	<u>3,832,006</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 30 JUNE 2022

### 13. FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets measured at amortised cost comprised trade and other receivables, excluding prepayments, and cash held with bank accounts.

		YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	Notes	£	£
<b>Financial Liabilities</b>			
Financial liabilities measured at amortised cost			
Trade and other payables	(12)	3,328,044	2,471,961
		<u>3,328,044</u>	<u>2,471,961</u>

Financial liabilities measured at amortised cost comprised trade and other payables.

### 14. DIVIDENDS

In the current year the Board approved and paid £350,000 dividend to the parent Company London and Capital Group Limited (2021: £900,000).

### 15. SHARE CAPITAL

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	£	£
<b>Authorised</b>		
100,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, Issued and fully paid</b>		
65,000 Ordinary Shares of £1 each	<u>65,000</u>	<u>65,000</u>

The ordinary shares have dividend and voting rights. All shares rank equally on a return of capital.

### 16. CONTINGENT LIABILITIES

The Company had no contingent liabilities at 30 June 2022 or 30 June 2021.

### 17. CAPITAL COMMITMENTS

In the current year, the Company renewed various contracts with IT Software and Information suppliers, resulting in additional capital commitments of £840,203. In prior years, the Company entered into an agreement with a client to rebate £4,875 per quarter for the period February 2012 to November 2024. Total capital commitments at 30 June 2022 are £888,953 (2021: £ 68,250)

	YEAR ENDED 30 JUNE 2022
	£
Within one year	360,997
In two to five years	527,956
	<u>888,953</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 18. RELATED PARTY TRANSACTIONS

The Company has opted to take advantage of the FRS 102 exemption in that disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

#### 19. ULTIMATE PARENT COMPANY

The immediate and ultimate parent Company at 30 June 2022 was London and Capital Group Limited, a Company incorporated in England and registered in England and Wales. The Company is 100% wholly owned by London and Capital Group Limited.

A copy of the parent Company's accounts may be obtained from Two Fitzroy Place, 8 Mortimer Street, London, W1T 3JJ.

The parent undertaking of the largest and smallest group for which the Company and Group accounts are prepared is London and Capital Group Limited.

Mrs Freedman, Mr Tait & Mr Morilla-Giner jointly control the Company as a result of directly controlling 78.48% of the voting shares of the parent Company.

#### 20. PILLAR 3 DISCLOSURE

The Pillar 3 disclosure is publicly available and can be obtained from the registered office.

#### 21. EVENTS AFTER YEAR END

There are no adjusting or non-adjusting events subsequent to the end of the reporting period and up to and including the date of authorisation of these financial statements.