

BelleCapital UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2023

Company Registration No. 02123174 (England and Wales)

BelleCapital UK Limited

Company Information

Directors	C George E M R Turner S Hutcherson G M S Matharu
Company number	02123174
Registered office	19 Berkeley Street London United Kingdom W1J 8ED
Auditor	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP

BelleCapital UK Limited

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BelleCapital UK Limited

Strategic Report

For the year ended 31 December 2023

The directors present the strategic report for the year ended 31 December 2023.

The Bellecapital Group ("Bellecapital" "The Company") is an owner managed investment business with offices in Zurich, Lausanne, London & Grand Cayman. The business was founded in 2009 and currently employs 65 professionals looking after approximately \$5billion in assets under management and advice. The Company has a focus on asset management and offers investment perspectives, advice and strategies to global clients out of the London office.

Bellecapital operates three separate companies, each with a unique set of clients:

1. Bellecapital AG, our Swiss company has a focus on investment management for clients in Switzerland. And has a fund business offering asset management solutions to institutional clients in Switzerland and Europe.
2. Bellecapital International AG, our company registered with the US Securities and Exchange Commission focuses on servicing clients with US connections,
3. Bellecapital UK Limited ("BCUK") has a focus on UK resident clients and international clients with UK connections. BCUK also has a branch in Grand Cayman (Cayman Islands) which focuses on Cayman resident clients.

BCUK is incorporated in the UK and is authorised and regulated by the Financial Conduct Authority ("FCA") as of 1 December 2001 as an Investment Management Company. Company reference number: 140948.

As BCUK is categorised as an SNI firm it applies the basic remuneration requirements.

Business review

Our business

As of the end of 2023, we administered GBP 241m of client assets and managed approximately GBP250m of assets on a discretionary basis serviced by eight investment professionals, three business administrators and a head of compliance.

The BCUK business consists of two distinct businesses, the execution and advisory business and the discretionary management business.

The execution only dealing and investment advisory services had a relatively strong year. total revenues increased from £881,325 to £1,066,279.

Growing the UK discretionary portfolio management service continued to be a focus for 2023. Discretionary fee income was around £1,353,351 for 2023 up from £1,061,000 in 2022 representing a growth of 27%. Bellecapital UK Limited business is now approximately 40:60 trading & advisory / discretionary portfolio management. Our strategy remains focused onto the provision of investment management services to a High-Net-Worth private client base. Our plan is to continue investing in quality investment professionals to broaden and diversify the business between recurring investment management fee income and transaction-based commission income.

BCUK opened a branch in Grand Cayman (Cayman Islands) on 1 November 2022 which focuses on Cayman resident clients. BCUK is a foreign company licensed by the Cayman Islands monetary authority (CIMA) to carry out investment business in the Cayman Islands.

BelleCapital UK Limited

Strategic Report (Continued)

For the year ended 31 December 2023

Our strategy

Our strategy is to continue to expand our discretionary portfolio management service as well as our execution only dealing and investment advisory services. The discretionary portfolio management service offering is a strategic focus and our ambition is to grow this business by 30% per annum.

We are on track with our three-to-five-year business plan and continued to make good progress in the 2023 financial year. Difficult market conditions and increases in UK cost of living made hiring difficult as potential hires were reluctant to move. As economic and market conditions are now improving this should change in 2024.

Review of the year

The focus for 2023 has been servicing and retaining our existing clients, building our discretionary portfolio management service and growing our assets under advice and management. Much of this growth has come from the existing investment professionals but as already stated, we are looking to hire new talent.

Principal risks and uncertainties

On a detailed level, Bellecapital UK Limited embraces an Enterprise Risk Management ('ERM') approach. The ERM framework typically involves identifying particular events or circumstances relevant to the organisation's objectives (risks and opportunities); assessing them in terms of likelihood and impact; determining a response strategy; and implementing a methodology for monitoring progress. By identifying and proactively managing risk and opportunities, BCUK protects and creates value for its stakeholders ; including owners, employees, customers, regulators and society overall.

The BCUK board has oversight of the above risk processes ensuring that the monitoring and escalation procedures are operating effectively and completed in a timely manner. The BCUK board reviews and challenges the Company's three-year strategic plan against the principal risks at least annually, stress testing the base case projections by applying multiple shock events. These stresses have been derived from input from senior management with the use of external events to substantiate the Board's assessment that the shock events are sufficiently severe and appropriate. Based on the results of the latest stress test the Board believes that, by taking the projected management actions to reduce expenditure and dividends, the Company's business model is resilient, and it holds sufficient capital to survive a range of severe but plausible stressed situations. As required by the FCA, events significantly more severe than the stresses used in this assessment are modelled in the Company's wind-down scenarios and are included in the Company's assessment of its capital adequacy. As the regulatory environment remains subject to ongoing change and enhancements, the company holds a significant amount of capital above the FCA regulatory requirement calculated in the company's ICARA which is owned by the BCUK board.

BelleCapital UK Limited

Strategic Report (Continued)

For the year ended 31 December 2023

Key performance indicators

As the company has completed its sixth year of trading, the following illustrates what we consider to be our Key Performance Indicators ('KPIs') and how we measure progress and will report going forward:

Assets under Administration

Assets under administration in the year remained the same at \$254m. Revenues increased from £881,325 to £1,066,279.

Discretionary management

Investment assets under management in our discretionary service increased from £180m to £250m. Revenues increased from £1,061,000 to £1,353,351.

Income Statement

Total income for the year increased 25% from £1,942,762 to £2,419,630. Net income showed a loss of £205,580 versus a 2022 loss of £110,011.

Balance Sheet

For the year ended 31 December 2023, total assets exceeding current liabilities increased from £562,342 (31 December 2022) to £656,762 following a capital injection from the parent company Bellecapital Holding AG.

Client numbers

Our business model is based on advising clients and managing client wealth. The number of clients we service is a key measure of the health of the business. The team opened 41 new client accounts during the year and had 4 client

Section 172 Disclosure

Section 172 of the Companies Act 2006 requires the directors of a company to act in such a way as to promote the success of the company for the benefit of the members. In fulfilling this Section 172 requires the directors to have regard to the following factors:

- The likely consequences of any decisions taken in the long term.
- The need to foster positive relationships with clients, suppliers, and business partners.
- The interests of our employees, their well-being and professional development are integral to the success of the company.
- Our reputation for high standards and a professional approach when dealing with clients and external bodies.
- The need to act fairly between members of the company.

The board of directors meets at least quarterly to discuss all aspects of the company's performance and operations and always take into consideration the points set out above.

This report was approved by the board on 18 April 2024 and signed on its behalf.

C George
Director

18 April 2024

Bellecapital UK Limited

Directors' Report

For the year ended 31 December 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company continued to be that of the provision of investment management and advisory services.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C George
E M R Turner
S Hutcherson
G M S Matharu

Auditor

The auditor, Moore Kingston Smith LLP, were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

IFPR Disclosures

The company is regulated by the Financial Conduct Authority ("FCA") in the UK and is subject to minimum capital requirements imposed by the Regulator and the Investment Firms Prudential Regime ("IFPR"). The IFPR is the FCA's new prudential regime for MiFID investment firms, which came into force on 1 January 2022.

Details of the company's unaudited IFPR disclosures as required under MiFIDPRU 8 can be found at the following website: www.bellecapital.com

On behalf of the board

C George
Director

18 April 2024

BelleCapital UK Limited

Directors' Responsibilities Statement

For the year ended 31 December 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Bellecapital UK Limited

Independent Auditor's Report

To the Members of Bellecapital UK Limited

Opinion

We have audited the financial statements of BelleCapital UK Limited (the 'company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Bellecapital UK Limited

Independent Auditor's Report (Continued)

To the Members of Bellecapital UK Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception

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 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 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.

Bellecapital UK Limited

Independent Auditor's Report (Continued)

To the Members of Bellecapital UK Limited

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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bellecapital UK Limited

Independent Auditor's Report (Continued)

To the Members of Bellecapital UK Limited

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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.

Jamie Seaford
Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP

18 April 2024

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Bellecapital UK Limited

Statement of Comprehensive Income For the year ended 31 December 2023

	Notes	2023 £	2022 £
Turnover	2	2,419,630	1,942,762
Administrative expenses		(2,625,210)	(2,052,773)
Loss before taxation		(205,580)	(110,011)
Tax on loss	7	-	-
Loss for the financial year		(205,580)	(110,011)

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

Bellecapital UK Limited

Balance Sheet

As at 31 December 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	8		20,361		9,423
Current assets					
Debtors	9	597,700		634,329	
Cash at bank and in hand		298,637		174,792	
		<u>896,337</u>		<u>809,121</u>	
Creditors: amounts falling due within one year	10	<u>(259,936)</u>		<u>(256,202)</u>	
Net current assets			636,401		552,919
Net assets			<u>656,762</u>		<u>562,342</u>
Capital and reserves					
Called up share capital	12	1,465,000		1,165,000	
Capital redemption reserve		83,000		83,000	
Profit and loss reserves		<u>(891,238)</u>		<u>(685,658)</u>	
Total equity			<u>656,762</u>		<u>562,342</u>

The financial statements were approved by the board of directors and authorised for issue on 18 April 2024 and are signed on its behalf by:

C George
Director

Company Registration No. 02123174

Bellecapital UK Limited

Statement of Changes in Equity

For the year ended 31 December 2023

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2022		1,165,000	83,000	(575,647)	672,353
Year ended 31 December 2022:					
Loss and total comprehensive income for the year		-	-	(110,011)	(110,011)
Balance at 31 December 2022		1,165,000	83,000	(685,658)	562,342
Year ended 31 December 2023:					
Loss and total comprehensive income for the year		-	-	(205,580)	(205,580)
Issue of share capital	12	300,000	-	-	300,000
Balance at 31 December 2023		1,465,000	83,000	(891,238)	656,762

Bellecapital UK Limited

Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	16		(159,465)		8,033
Investing activities					
Purchase of tangible fixed assets		(16,690)		(5,562)	
Net cash used in investing activities			(16,690)		(5,562)
Financing activities					
Proceeds from issue of shares		300,000		-	
Net cash generated from/(used in) financing activities			300,000		-
Net increase in cash and cash equivalents			123,845		2,471
Cash and cash equivalents at beginning of year			174,792		172,321
Cash and cash equivalents at end of year			<u>298,637</u>		<u>174,792</u>

Bellecapital UK Limited

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

Company information

BelleCapital UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 19 Berkeley Street, London, United Kingdom, W1J 8ED.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

1.2 Going concern

Notwithstanding a loss of £205,580 (2022: £110,011) and net assets of £656,762 (2022: £562,342) as at 31 December 2023, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of potential downsides, the group will have sufficient funds, through funding from its ultimate parent company BelleCapital Holding AG, to meet its liabilities as they fall due for that period. The ultimate parent company has confirmed that they will continue to make available such funds as are needed by the group.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

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

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

Computers	3 years straight line
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Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

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

1.5 Impairment of fixed assets

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

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies (Continued)

1.11 Leases

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

2 Turnover

	2023 £	2022 £
Turnover analysed by class of business		
Investment management fees	1,353,351	1,061,437
Trading and execution	1,066,279	881,325
	<u>2,419,630</u>	<u>1,942,762</u>
	<u><u>2,419,630</u></u>	<u><u>1,942,762</u></u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	2,419,630	1,942,762
	<u>2,419,630</u>	<u>1,942,762</u>
	<u><u>2,419,630</u></u>	<u><u>1,942,762</u></u>

3 Operating loss

	2023 £	2022 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	6,973	(9,982)
Depreciation of owned tangible fixed assets	5,752	4,063
Operational lease charges	80,385	62,363
	<u>86,110</u>	<u>76,444</u>
	<u><u>86,110</u></u>	<u><u>76,444</u></u>

4 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	26,750	24,000
	<u>26,750</u>	<u>24,000</u>
For other services		
Audit-related assurance services	26,750	24,000
All other non-audit services	-	13,421
	<u>26,750</u>	<u>37,421</u>
	<u><u>26,750</u></u>	<u><u>37,421</u></u>

Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

5 Employees

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

2023 Number	2022 Number
14	14
<u>14</u>	<u>14</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	1,590,259	1,200,370
Social security costs	191,458	161,587
Pension costs	69,391	42,224
	<u>1,851,108</u>	<u>1,404,181</u>

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	362,192	323,660
Company pension contributions to defined contribution schemes	12,000	12,000
	<u>374,192</u>	<u>335,660</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	225,000	198,000
Accrued pension costs at the end of the year	6,000	6,000
	<u>231,000</u>	<u>204,000</u>

Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

7 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Loss before taxation	(205,580)	(110,011)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)</i>	(48,352)	(20,902)
Tax effect of expenses that are not deductible in determining taxable profit	19,082	10,262
Unutilised tax losses carried forward	28,980	10,640
Permanent capital allowances in excess of depreciation	290	-
Taxation charge for the year	-	-

8 Tangible fixed assets

	Computers £
Cost	
At 1 January 2023	33,946
Additions	16,690
At 31 December 2023	50,636
Depreciation and impairment	
At 1 January 2023	24,523
Depreciation charged in the year	5,752
At 31 December 2023	30,275
Carrying amount	
At 31 December 2023	20,361
At 31 December 2022	9,423

Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

9 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	-	9,852
Other debtors	78,547	83,991
Prepayments and accrued income	519,153	540,486
	<u>597,700</u>	<u>634,329</u>

10 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	63,552	36,944
Amounts owed to group undertakings	42,047	26,907
Taxation and social security	102,918	80,151
Other creditors	1,749	5,678
Accruals and deferred income	49,670	106,522
	<u>259,936</u>	<u>256,202</u>

11 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	69,391	42,224
	<u>69,391</u>	<u>42,224</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

12 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	1,465,000	1,165,000	1,465,000	1,165,000
	<u>1,465,000</u>	<u>1,165,000</u>	<u>1,465,000</u>	<u>1,165,000</u>

During the year the company issued 300,000 shares of £1 at par.

Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

13 Operating lease commitments

Lessee

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

	2023 £	2022 £
Within one year	69,383	69,597
Between two and five years	11,433	11,464
	<u>80,816</u>	<u>81,061</u>

14 Related party transactions

The Company has taken advantage of the exemption conferred by section 33 of FRS 102 from disclosing transactions and balances with wholly owned group companies.

During the year, the company received discretionary investment management fees of £23,031 (2022: £25,930) from accounts managed on behalf of directors. An amount of £5,746 (2022: £5,813) was outstanding at the year end.

15 Ultimate controlling party

The immediate and ultimate controlling party is Bellecapital Holding AG, a company incorporated in Switzerland.

16 Cash (absorbed by)/generated from operations

	2023 £	2022 £
Loss for the year after tax	(205,580)	(110,011)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	5,752	4,063
Movements in working capital:		
Decrease in debtors	36,629	13,356
Increase in creditors	3,734	100,625
Cash (absorbed by)/generated from operations	<u>(159,465)</u>	<u>8,033</u>

Bellecapital UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

17 Analysis of changes in net funds

	1 January 2023	Cash flows	31 December 2023
	£	£	£
Cash at bank and in hand	174,792	123,845	298,637
	<u> </u>	<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.