

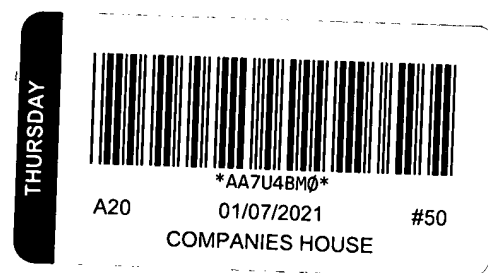
Company registration number: 03869802

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

31 MARCH 2021

GUY BUTLER LIMITED



MENZIES
BRIGHTER THINKING

GUY BUTLER LIMITED

COMPANY INFORMATION

Directors	P W Curtis Hayward P Evans M Reynolds A Blackwell
Company secretary	N Dargan
Registered number	03869802
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Centrum House 36 Station Road Egham Surrey TW20 9LF

GUY BUTLER LIMITED

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GUY BUTLER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Business review and future developments

Life changed dramatically for all in the Spring of 2020 as the Covid-19 virus spread around the world. Where Brexit had been a cloud for the UK over previous years, Covid-19 proved to be a far more significant on a global scale. As with most companies, our office was closed and staff worked from home. Due to our continual investment in technology including cloud computing and outsourcing we managed to transition swiftly from an office to a home environment.

After an initial period of volatility, central banks were quick to respond to the threat of the virus and order in financial markets was swiftly restored. Following central bank intervention, bond yields fell, credit spreads tightened and volatility subsided. Confidence was restored and developed equity markets began their ascent. As populations received the vaccines the financial markets looked forwards and the narrative is now of growth and inflationary pressures, the tapering of central bank intervention as well as the ambitious spending plans by a new US President. Bond yields are rising as governments keep a close eye kept on virus related data, as countries reopen their economies.

These events led to a very active year at Guy Butler as clients looked to trade a variety of different bonds and products. Thanks to our good reputation and dedicated staff the number of new clients continued to increase. Our corporate finance business remains active, attracting repeat business as well as new issues and inquiries. We grew our customer base in most regions, with new territories being explored such as Latin America and a further reach into Asia. Our new hires are well established and the business continues to grow organically. We look forward to a prosperous and safer 2021-2022.

Results

The Directors are pleased with the overall result for 2020/21 in the political/economical uncertainty facing the world's major economies, particularly as the world deals with the impact of the Coronavirus.

The results of the company are set out in the income statement on page 10.
The profit after tax for the year of: £1,332,000 (2020: £1,835,000).

Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The overall financial risk management framework, strategy and policies of the Company are determined by the board.

a) Market risk

Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements.

Transactional exposure arises from brokerage and remittance of funds in currencies other than the Company's functional currency (sterling), principally United States dollars and euros. Translational exposure arises on the conversion of foreign currency denominated investments into sterling. The Company does not hedge its translational exposure but its impact is mitigated by the Company's use of average exchange rates.

Interest rate risk

The Company's interest rate risk arises from cash and cash equivalents where changes in market rates can have an adverse impact on cash flows and income streams. Interest rate risk is monitored at a company level by the directors.

GUY BUTLER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Price risk

The Company is exposed to price risk when a counterparty fails to satisfy its settlement obligations, through trade mismatches or when positions are taken. Risk is restricted to short term price movements in the underlying stock held.

Unmatched transactions are identified and monitored daily. The Company has policies and procedures in place to reduce the likelihood of such situations but should they arise, the policy is to close out positions immediately or, with Director approval to manage the position in the short/medium term with the aim of achieving the best outcome for the company.

Price risk in regards to positions is monitored and controlled by the setting of cash limits for counterparties.

b) Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the Company. The company's exposure to credit risk is limited since the vast majority of transactions are undertaken on a delivery-versus-payment basis. All counterparties are subject to review before trading lines are established.

Typically, the Company's counterparties are highly credit rated large financial institutions.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit. This is important to ensure that the Company can meet all present and future financial obligations as they fall due and comply with regulatory requirements.

The Company's exposure to liquidity risk is not significant.

Key Performance Indicators

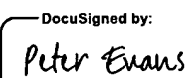
Given the straightforward nature of the business, the directors believe analysis using key performance indicators is not necessary for an understanding of the development performance or position of the business.

The company's return on assets, calculated as net profit/(loss) divided by net assets is 13% (2020: 17.3%).

Revenue decreased by 7.1% mainly due to decreased volumes of business in the principal broking business. This was mainly due to markets normalising after the extreme conditions caused by Covid-19 in February and March 2020.

There are 20 client facing employees (those classified as Certified Staff under the Senior Managers & Certification Regime).

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

DocuSigned by:

P EVans
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Director

Date: 25-Jun-2021

GUY BUTLER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Disclosure of information in the Strategic Report

The company has chosen in accordance with the Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

Directors' responsibilities statement

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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

Principal activity

The company's principal activity is the broking of fixed income instruments with settlement taking place on a delivery-versus-payment basis. Trades are settled and cleared via Pershing Securities Limited under a model B agreement.

The company is regulated by the Financial Conduct Authority. The company is incorporated and domiciled in England. The registered office is Lynton House, 7-12 Tavistock Square, London, WC1H 9LT.

Pillar 3 Disclosures

In accordance with the rules of the Financial Conduct Authority, the company has made available information on its risk management objective and policies on its regulatory capital requirement and resources.

These details are included below and within the Strategic Report - Financial Risk Management.

GUY BUTLER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Capital resources

Pillar 1

The company's capital resources consist of common Equity Tier 1 capital (share capital and reserves).

In accordance with the FCA's prudential rules, the company's variable capital requirement, its Pillar 1, has been determined as the sum of its credit risk, counterparty risk, operational risk and market risk capital requirements.

Pillar 2

The Company's overall approach to assessing the adequacy of its internal capital is set out in its Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP involves consideration of a range of risks faced by the Company and determines the level of capital needed to cover these risks. The level of capital required by the Company to cover identified risks is a function of their impact and probability. Impact is assessed by modelling the changes in the Company's income and expenditure caused by various potential risks and probability is assessed subjectively by senior management. The ICAAP incorporates stress testing over a five year time frame where the Company's income and expenses are adversely affected by a range of factors. After considering the ICAAP the firm has determined that no additional capital is required in excess of its Pillar 1 capital requirement, although total capital resources are maintained in excess of this level.

As at 31 March 2021 Guy Butler Limited's regulatory capital position was:

	2021 £'000
Tier 1 capital: Audited Reserves as at 31 March 2020 less dividends paid during y/e 2021	8,942
Total Capital Resources Requirement (Pillar 1 and ICAAP Pillar 2)	2,421

Remuneration

The Company is required to publish information relating to its remuneration policy for the year ended 31 March 2021. The Company is a full scope BIPRU and IFPRU Investment Firm which limits its disclosures to those required of a "Tier 3" firm as defined by the FCA's Remuneration Code (SYSC 19A).

Remuneration Policy

The Company operates as a single business unit and therefore remuneration will reflect at least in part the overall profitability or otherwise of the Company. Employees, including directors, are paid a fixed salary and a discretionary bonus, the level of which is determined by the directors. The discretionary element of bonuses is limited by available profits.

Pay and performance

All employees, including directors, are part of an annual appraisal process which includes the setting of objectives each year and subsequent assessment against those objectives. In addition to the results of the annual appraisal process, the profitability of the area of business in which the employee or director is involved may be taken into account along with other relevant factors, in setting the level of discretionary bonus.

Code Staff

The directors carry out an annual assessment of those staff who control the firm and / or could affect its risk profile.

For the year ended 31 March 2021 the directors as well as the Chief Operating Officer, who is also the Compliance Officer and MLRO, are considered as the key personnel and hence act in the role of Code Staff.

Aggregate remuneration

The aggregate remuneration of the employees of the Company for the year ended 31 March 2021 is fully disclosed in note 7, Staff Costs and of the directors in note 8, Directors Remuneration. Remuneration for employees and directors represents salaries paid during the year and benefits received from the company.

GUY BUTLER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Directors

The directors who served during the year were:

P W Curtis Hayward
P Evans
M Reynolds
A Blackwell

Disclosure of information to auditors

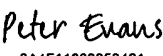
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Auditors

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

P Evans
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Director

Date: 25-Jun-2021

GUY BUTLER LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUY BUTLER LIMITED

Opinion

We have audited the financial statements of Guy Butler Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

GUY BUTLER LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUY BUTLER LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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.

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 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 set out on page 3, 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.

GUY BUTLER LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUY BUTLER LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

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 Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant:
 - The Companies Act 2006;
 - Financial Reporting Standard 102;
 - Financial Conduct Authority, including Pillar 3 disclosures;
 - UK employment legislation;
 - General Data Protection Regulations; and
 - UK tax legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area:
 - Posting of unusual journals out of the normal course of business that may inflate revenue;
 - Incorrectly recognising revenue in the wrong period that may inflate revenue.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

GUY BUTLER LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUY BUTLER LIMITED (CONTINUED)

A further description of our responsibilities is available on the Financial Reporting Council's website at:
<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

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 Auditors' 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 Cook

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Andrew Cook FCA (Senior Statutory Auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

Centrum House
36 Station Road
Egham
Surrey
TW20 9LF
Date: 28-Jun-2021

GUY BUTLER LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Turnover	4	14,238	15,324
Gross profit		14,238	15,324
Administrative expenses		(12,721)	(13,197)
Other operating charges		(273)	163
Less from changes in fair value investments		6	(138)
Operating profit	5	1,250	2,152
Income from fixed assets investments		100	56
Interest receivable and similar income	10	281	88
Interest payable and similar expenses	11	-	(37)
Profit before tax		1,631	2,259
Tax on profit	12	(299)	(424)
Profit after tax		1,332	1,835
Retained earnings at the beginning of the year		8,623	8,138
		8,623	8,138
Profit for the year		1,332	1,835
Dividends declared and paid		(1,655)	(1,350)
Retained earnings at the end of the year		8,300	8,623
The notes on pages 14 to 26 form part of these financial statements.			

GUY BUTLER LIMITED

REGISTERED NUMBER:03869802

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	96	130
Investments	15	2,124	664
		<u>2,220</u>	<u>794</u>
Current assets			
Debtors	16	7,671	11,864
Cash at bank and in hand		3,700	4,343
		<u>11,371</u>	<u>16,207</u>
Creditors: amounts falling due within one year	17	(3,244)	(6,331)
Net current assets		<u>8,127</u>	<u>9,876</u>
Total assets less current liabilities		<u>10,347</u>	<u>10,670</u>
Provisions for liabilities			
Deferred tax	19	(14)	(19)
Other provisions	20	(59)	(54)
		<u>(73)</u>	<u>(73)</u>
Net assets		<u>10,274</u>	<u>10,597</u>
Capital and reserves			
Called up share capital	21	1,638	1,638
Capital redemption reserve	22	336	336
Profit and loss account	22	8,300	8,623
		<u>10,274</u>	<u>10,597</u>

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

DocuSigned by:

Peter Evans

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P. Evans

Director 25-Jun-2021

The notes on pages 14 to 26 form part of these financial statements.

GUY BUTLER LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Profit for the financial year	1,332	1,835
Adjustments for:		
Depreciation of tangible assets	37	28
Interest paid	-	37
Interest received	(281)	(88)
Taxation charge	299	424
Decrease/(increase) in debtors	4,193	(4,959)
(Decrease)/increase in creditors	(3,011)	3,971
Increase in provisions	5	13
Net fair value (gains)/losses recognised in P&L	(6)	138
Income from investments	(100)	(56)
Corporation tax (paid)	(381)	(493)
Net cash generated from operating activities	2,087	850
Cash flows from investing activities		
Purchase of tangible fixed assets	(2)	(77)
Purchase of unlisted and other investments	(1,454)	-
Interest received	281	88
Income from investments	100	56
Net cash from investing activities	(1,075)	67
Cash flows from financing activities		
Dividends paid	(1,655)	(1,350)
Interest paid	-	(37)
Net cash used in financing activities	(1,655)	(1,387)
Net (decrease) in cash and cash equivalents	(643)	(470)
Cash and cash equivalents at beginning of year	4,343	4,813
Cash and cash equivalents at the end of year	3,700	4,343
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,700	4,343
	3,700	4,343

The notes on pages 14 to 26 form part of these financial statements.

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £000	Cash Flows £000	Other non- cash changes £000	At 31 March 2021 £000
Cash at bank and in hand	4,343	(643)	-	3,700
Related derivatives	(33)	-	32	(1)
	<u>4,310</u>	<u>(643)</u>	<u>32</u>	<u>3,699</u>

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Guy Butler Limited (03869802) is a private limited liability company, and it is incorporated and dominated in England. The company's principal activity during the year was the brokerage of securities on a matched principal basis. Details of the company's registered office can be found on the Company Information page.

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 the Republic of Ireland 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 judgment in applying the Company's accounting policies (see note 3).

2.2 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.3 Revenue

Revenue is recognised to the extent that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is stated net of VAT, rebates and discounts. Rendering of services includes fees and commissions from trading in financial markets. Open positions in financial instruments are carried at the lower of cost and market value gains and losses arising on this valuation are recognised in revenue, as well as gains and losses on positions that have closed. Revenue is recognised on a trade date basis.

2.4 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.

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:

Fixtures and fittings	-	20% Straight Line
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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.

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Investments in loans are initially recorded at cost and are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit and loss for the period.

2.6 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.

2.7 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Income and Retained Earnings.

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Creditors

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

2.10 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.

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 Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to Statement of Income and Retained Earnings on a straight line basis over the lease term.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.14 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 accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation, that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings 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
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. Judgments 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assumptions have been made around the fair value of the Long Position shares held by the company as trade investments, due to the volatile nature of this industry fair value can be difficult to measure.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Commission and brokerage income	14,238	15,324
	<u>14,238</u>	<u>15,324</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	37	28
Exchange differences	273	(163)
Other operating lease rentals	200	159
Defined contribution pension cost	33	33
	<u>33</u>	<u>33</u>

6. Auditors' remuneration

Fees payable to the Company's auditor and its associates in respect of:

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements.

18	17
<u>18</u>	<u>17</u>

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	9,350	9,652
Social security costs	928	931
Cost of defined contribution scheme	33	33
	<u>10,311</u>	<u>10,616</u>

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

	2021 No.	2020 No.
Staff	<u>25</u>	<u>26</u>

8. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	3,603	3,752
Company contributions to defined contribution pension schemes	9	9
	<u>3,612</u>	<u>3,761</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,049 thousand (2020 - £1,093 thousand.).

9. Income from investments

	2021 £000	2020 £000
Income from fixed asset investments	35	6
Dividends received from unlisted investments	65	50
	<u>100</u>	<u>56</u>

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Interest receivable and other similar amounts

	2021 £000	2020 £000
Gain on derivatives treated as fair value hedging instruments	277	62
Interest Income	4	26
	<u>281</u>	<u>88</u>

11. Interest payable and other similar amounts

	2021 £000	2020 £000
Loss on derivatives treated as fair value hedging instruments	-	37
	<u>-</u>	<u>37</u>

12. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	304	416
	<u>304</u>	<u>416</u>
Total current tax	<u>304</u>	<u>416</u>
Deferred tax		
Origination and reversal of timing differences	(5)	8
Total deferred tax	<u>(5)</u>	<u>8</u>
Taxation on profit on ordinary activities	<u>299</u>	<u>424</u>

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	1,631	2,259
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	310	429
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	3
Capital allowances for year in excess of depreciation	1	6
Non-taxable income	(12)	(10)
Other tax provision relating to prior year	-	(4)
Total tax charge for the year	299	424

13. Dividends

	2021 £000	2020 £000
Dividends on ordinary shares	1,655	1,350
	1,655	1,350

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Tangible fixed assets

	Fixtures and fittings £000
Cost or valuation	
At 1 April 2020	188
Additions	2
At 31 March 2021	190
Depreciation	
At 1 April 2020	57
Charge for the year on owned assets	37
At 31 March 2021	94
Net book value	
At 31 March 2021	96
At 31 March 2020	130

15. Fixed asset investments

	Investments in associates £000	Other investments £000	Loans £000	Total £000
Cost or valuation				
At 1 April 2020	488	176	-	664
Additions	-	-	1,454	1,454
Revaluations	-	6	-	6
At 31 March 2021	488	182	1,454	2,124

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16. Debtors

	2021 £000	2020 £000
Pledged collateral	1,000	1,110
Other debtors	6,067	6,343
Prepayments and accrued income	167	550
Trade debtors	384	3,799
Financial instruments	53	62
	<u>7,671</u>	<u>11,864</u>

17. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	124	205
Corporation tax	92	168
Other taxation and social security	66	68
Other creditors	11	23
Accruals and deferred income	2,950	5,834
Financial instruments	1	33
	<u>3,244</u>	<u>6,331</u>

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. Financial instruments

	2021 £000	2020 £000
Financial assets		
Financial assets measured at fair value through profit or loss	1,636	176
Derivative financial instruments measured at fair value through profit or loss as part of a trading portfolio	53	62
	<u>1,689</u>	<u>238</u>
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	(1)	(33)

Financial assets and liabilities are measured at fair value through profit or loss. The financial instrument derivatives are measured at fair value based on the unadjusted quoted price in an active market (level 1). The other investments are measured at fair value based on limited market data (level 3).

19. Deferred taxation

	2021 £000	2020 £000
At beginning of year	(19)	(11)
Charged to the profit or loss	5	(8)
At end of year	<u>(14)</u>	<u>(19)</u>

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(14)	(19)
	<u>(14)</u>	<u>(19)</u>

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

20. Provisions

	Dilapidation provision £000
At 1 April 2020	54
Charged to profit or loss	5
At 31 March 2021	59

21. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
1,638,304 (2020 - 1,638,304) Ordinary Shares shares of £1.00 each	1,638	1,638

The company has one class of ordinary shares which carry no right to fixed income.

22. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account

This reserve records retained earnings and accumulated losses.

23. Pension commitments

The Company operates a defined contributions 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 £33,288 (2020 - £33,047). Contributions totalling £6,132 (2020 - £6,362) were payable to the fund at the reporting date and are included in creditors.

GUY BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	172	172
Later than 1 year and not later than 5 years	515	612
	<u>687</u>	<u>784</u>

25. Related party transactions

The aggregate amount of dividends paid to the directors during the year was £1,655 thousand (2020: £1,350 thousand).