REGISTERED NUMBER: 04223247 (England and Wales)

Chatham Financial Europe, Ltd

Group Strategic Report,

Directors' Report and

Consolidated Financial Statements

for the Year Ended 31 December 2022

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Chatham Financial Europe, Ltd (Registered number: 04223247)

Contents of the Consolidated Financial Statements
for the year ended 31 December 2022

Chatham Financial Europe, Ltd

Company Information
for the year ended 31 December 2022

Directors:	J A Macdonald J Bowie B Duhil De Benaze
Registered office:	New Derwent House 69-73 Theobalds Road London WC1X 8TA
Registered number:	04223247 (England and Wales)
Auditors:	Haines Watts Chartered Accountants and Statutory Auditor New Derwent House 69-73 Theobalds Road London WC1X 8TA
Business address:	12 St James's Square London SW1Y 4LB

The directors present their Strategic Report for Chatham Financial Europe, Ltd (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022.

The purpose of the Strategic Report is to inform shareholders and help them to assess how the directors have performed their duties to promote the success of Chatham Financial Europe, Ltd 'the Parent Company", with references made to 'the Group' relating to the Parent Company and its subsidiaries. The report, together with the further information in the Directors' Report, provides:

- A fair and balanced review of the Parent Company's business including:
    i) The development and performance of the business during the year;
    ii) The position of the Parent Company and the Group at the end of the year.
- A description of the principal risks and uncertainties facing the Parent Company and the Group.

Review of business
The principal activity of the Parent Company is to advise on, arrange and assist clients in multiple facets of corporate and structured finance, including identifying interest rate and currency risks and implementing strategies to mitigate those risks. The Parent Company is authorised and regulated by the Financial Conduct Authority ("FCA").

Since 2016, as detailed in note 4, the Parent Company's Polish subsidiary (formerly branch) has provided support services to other Chatham Financial Group entities.

Key performance indicators (KPIs)
The Group monitors the business performance through a number of key performance indicators (KPIs) including revenue growth and profit before taxation, as set out in the audited financial statements, summarised as follows:

	2022	2021
	£m	£m
Turnover	41.2	26.4
Profit/(Loss) before taxation	10.1	4.8
Shareholders' funds	34.5	31.5

As part of the success detailed within the development and financial performance during the year section below, total customer numbers grew by 20% (2021: 3%).

Given the straight forward nature of the business the directors are of the opinion that further analysis using non-financial KPIs is not necessary for the understanding of the development, performance or position of the business.

Section 172(1) statement
The directors of the Parent Company, as those of all UK companies, must act in accordance with a set of general duties which are detailed in section 172 of the Companies Act 2006. The following paragraphs below summarise how the board of directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Parent Company for the benefit of its shareholders as a whole and in doing so have regard (amongst other matters) to:

- Risk management - consideration of risks is an integral part of our operations which includes providing services to our clients in often highly regulated environment. See below for details of our principal risks and uncertainties;
- Interests of our employees - being committed to being a responsible business in which our behaviour is aligned with the expectations of our people, clients, investors and society as whole;
- Fostering business relationships - our strategy is to prioritise organic growth driven by providing services to both other group entities and our clients;
- Impact of the Parent Company's operations on the community and environment - our approach is to create a positive approach to the clients and communities in which we interact with; and
- Maintaining a reputation for high standards of business conduct - consideration of risks is an integral part of how the Parent Company operates on a daily basis which are reviewed and issued at Group level under its Corporate Governance Policies including whistleblowing.

Group Strategic Report
for the year ended 31 December 2022

Development and financial performance during the year
Chatham Financial Europe, Ltd is a FCA regulated firm which arranges over-the-counter interest rate and foreign currency derivatives for risk management purposes to its clients, which comprise of some of the largest financial and investment institutions in Europe.

As reported in the Group's Income Statement, gross revenues have risen by 55.9% to a record level of £41.2m, up from £26.4m, with £13.7m increase coming as a result of a £0.2m rise in the Company's Polish branch providing consultancy services to other Chatham group entities, together with a £13.5m increase in core activities. Consequently, profit after tax has also improved to £6.7m (2021: £3.4m). As alluded to, these figures represent consolidation of a notable improvement compared to 2021 results, and is mainly due to the aforementioned continuing rise in revenues which is, in part, due to continuing investments in human resources, most notably in our London office, but also within the Polish subsidiary. In addition, real estate which has historically been the Company's biggest revenue sector, was up a solid 72%. This was driven by a continuing focus on expanding the client pool and offering a broader service offering to current real estate clients outside of hedging alone. Additionally, the Company's private equity sector showed revenue growth of 40% compared to 2021.

Overall, the results for the year and the financial position at the year end were considered strong by the directors, particularly given that 2021 saw record revenue, who expect reasonable growth in the foreseeable future.

The financial position of the company at the year end
At the year end the Group had a post-tax profit for the year of £6.7m (2021: £3.4m) and, following a dividend payout of £nil (2021: £5.5m), shareholders' funds increased to £34.5m from £31.5m. The Company generated cash from operations of £14.1m (2021: £8.3) and ended the year with £18.3m in cash.

Future developments
The directors foresee the business to continue to grow in the forthcoming year and have continued to extensively explore further ways of developing and diversifying its income streams.

The directors expect steady increments in turnover and profit, but do not envisage any significant changes to structure or trade of the Group for the foreseeable future.

Description of principal risks and uncertainties
Management continually monitor the key risks facing the Group together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principle risks and uncertainties facing the Company and the Group are as follows:

Financial Instruments
The Parent operates in the financial services sector which is governed by regulators and monitored by the FCA.

Financial instruments comprise of cash and working capital, i.e. the trade debtors and the trade creditors that arise during the course of the day to day business. This can result in a liquidity risk. The liquidity risk is controlled by maintaining a healthy balance between debtors and creditors. The debtor risk is controlled through a stringent credit control policy and regular monitoring of any outstanding amounts for both time and credit limits. Trade creditor liquidity risks are managed by ensuring that sufficient funds are available to meet amounts as and when they fall due and in accordance with agreed payment terms.

Turnover consists of commission receivable which is dependent on the customer entering into interest rate and foreign currency hedging products based on the work performed by the Parent.

The Parent has very limited exposure to financial instruments in respect of its own assets which comprise principally of cash in liquid resources, trade debtors and trade creditors that arise directly from its operations.

Business risk
Principal risk relates to the Group's ability to continue to generate fee income. The key income driver is the Group's clients need for debt or foreign currency hedging, which, in turn, is materially impacted by clients access to financing and anticipated cash flows from non UK investments.

Reputation risk
Reputation risk relates to damage to an organisation through loss of its reputation or standing. This could include a variety of factors such as compliance failures, failure to properly oversee it's employees and failure to provide appropriate risk oversight.

Operational risk
Operational risk relates to risks to the Group when running the business. This would include the Group's disaster recovery solutions and risks to the Group's technology infrastructure.

Liquidity risk
Liquidity risk relates to the amount of assets the Group holds in highly liquid, marketable forms that are available should unexpected cash flows lead to a liquidity problem.

On behalf of the board:

J Macdonald
....
J A Macdonald - Director

Date: 25 April 2023

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2022.

Dividends
The total distribution of dividends for the year ended 31 December 2022 was £nil (2021: £5,584,750).

Directors
The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

J A Macdonald
J Bowie

Other changes in directors holding office are as follows:

B D Conly - resigned 12 August 2022
B Duhil De Benaze - appointed 12 August 2022

Political donations and expenditure
The Group made no donations of a political nature during the year.

Disclosure in the strategic report
As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 2 to 5. These matters relate to Future Developments and Financial Instruments.

As permitted by the Companies (Miscellaneous Reporting) Regulations 2018 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 2 to 5. These matters relate to the Company's business relationships with suppliers, customers and others.

Statement of directors' responsibilities
The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 the Group and of the profit or loss of the Group 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 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

On behalf of the board:

J Macdonald
....
J A Macdonald - Director

Date: 25 April 2023

Independent Auditors' Report to the Members of
Chatham Financial Europe, Ltd

Opinion
We have audited the financial statements of Chatham Financial Europe, Ltd (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the Group's and of the Parent Company affairs as at 31 December 2022 and of the Group's 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 Group 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, individual or collectively, may cast significant doubt on the Group's and the Parent 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 the respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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.

Opinions 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 Group 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 Group 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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:

We gained an understanding of the legal and regulatory framework applicable to the Group and the Parent and the industry in which it operates, and considered the risk of acts by the Group and the Parent that were contrary to applicable laws and regulations, including fraud. We discussed with the directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focused on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, FCA capital requirements and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

Andrew Jepson (Apr 26, 2023 08:16 GMT+1)

Andrew Jepson FCCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: Apr 26, 2023

Chatham Financial Europe, Ltd (Registered number: 04223247)

Consolidated
Income Statement
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	3	41,227,508	26,444,652
Administrative expenses		(26,383,356)	(19,768,161)
		14,844,152	6,676,491
Other operating income		11,411	6,453
Operating profit		14,855,563	6,682,944
Group restructure	6	(4,790,522)	(1,856,632)
		10,065,041	4,826,312
Interest receivable and similar income		3,056	-
Profit before taxation	7	10,068,097	4,826,312
Tax on profit	9	(3,391,738)	(1,429,014)
Profit for the financial year		6,676,359	3,397,298
Profit attributable to: Owners of the parent		6,676,359	3,397,298

The notes form part of these financial statements

Chatham Financial Europe, Ltd (Registered number: 04223247)

Consolidated
Other Comprehensive Income
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Profit for the year		6,676,359	3,397,298
Other comprehensive income/(loss)			
Translation reserve		313,756	(465,160)
Income tax relating to other comprehensive income/(loss)		-	-
Other comprehensive income/(loss) for the year, net of income tax		313,756	(465,160)
Total comprehensive income for the year		6,990,115	2,932,138
Total comprehensive income attributable to:			
Owners of the parent		6,990,115	2,932,138

The notes form part of these financial statements

Chatham Financial Europe, Ltd (Registered number: 04223247)

Consolidated Balance Sheet
31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	12		18,936,759		21,662,406
Tangible assets	13		523,949		463,453
Investments	14		-		-
			19,460,708		22,125,859
Current assets					
Debtors	15	12,218,874		7,761,094	
Cash at bank	16	18,306,396		8,528,926	
		30,525,270		16,290,020	
Creditors					
Amounts falling due within one year	17	15,411,102		6,051,199	
Net current assets			15,114,168		10,238,821
Total assets less current liabilities			34,574,876		32,364,680
Provisions for liabilities	20		87,363		890,190
Net assets			34,487,513		31,474,490
Capital and reserves					
Called up share capital	21		500,000		500,000
Other reserves	22		27,159,094		31,136,186
Retained earnings	22		6,828,419		(161,696)
Shareholders' funds			34,487,513		31,474,490

The financial statements were approved by the Board of Directors and authorised for issue on .... and were signed on its behalf by:

J Macdonald
....
J A Macdonald - Director

The notes form part of these financial statements

Chatham Financial Europe, Ltd (Registered number: 04223247)

Company Balance Sheet
31 December 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		364,642		278,846
Investments	14		2,910,719		2,910,719
			3,275,361		3,189,565
Current assets					
Debtors	15	11,358,055		7,004,366	
Cash at bank	16	14,506,481		5,912,334	
		25,864,536		12,916,700	
Creditors					
Amounts falling due within one year	17	15,009,141		5,523,160	
Net current assets			10,855,395		7,393,540
Total assets less current liabilities			14,130,756		10,583,105
Provisions for liabilities	20		69,209		848,000
Net assets			14,061,547		9,735,105
Capital and reserves					
Called up share capital	21		500,000		500,000
Other reserves	22		27,159,094		31,136,186
Retained earnings	22		(13,597,547)		(21,901,081)
Shareholders' funds			14,061,547		9,735,105
Company's profit/(loss) for the financial year			8,303,534		(24,743,535)

The financial statements were approved by the Board of Directors and authorised for issue on .... and were signed on its behalf by:

J Macdonald
....
J A Macdonald - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the year ended 31 December 2022

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2021	500,000	2,490,916	31,136,186	34,127,102
Changes in equity				
Dividends	-	(5,584,750)	-	(5,584,750)
Total comprehensive income	-	2,932,138	-	2,932,138
Balance at 31 December 2021	500,000	(161,696)	31,136,186	31,474,490
Changes in equity				
Capital repayment to parent	-	-	(3,977,092)	(3,977,092)
Total comprehensive income	-	6,990,115	-	6,990,115
Balance at 31 December 2022	500,000	6,828,419	27,159,094	34,487,513

The notes form part of these financial statements

Chatham Financial Europe, Ltd (Registered number: 04223247)

Company Statement of Changes in Equity for the year ended 31 December 2022

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2021	500,000	8,534,730	31,136,186	40,170,916
Changes in equity				
Dividends	-	(5,584,750)	-	(5,584,750)
Total comprehensive loss	-	(24,851,061)	-	(24,851,061)
Balance at 31 December 2021	500,000	(21,901,081)	31,136,186	9,735,105
Changes in equity				
Capital repayment to parent	-	-	(3,977,092)	(3,977,092)
Total comprehensive income	-	8,303,534	-	8,303,534
Balance at 31 December 2022	500,000	(13,597,547)	27,159,094	14,061,547

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	18,395,549	9,134,154
Tax paid		(4,340,632)	(863,670)
Net cash from operating activities		14,054,917	8,270,484
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(535,000)
Purchase of tangible fixed assets		(305,035)	(26,791)
Sale of tangible fixed assets		1,624	-
Interest received		3,056	-
Net cash from investing activities		(300,355)	(561,791)
Cash flows from financing activities			
Capital repayment to Parent		(3,977,092)	-
Equity dividends paid		-	(5,584,750)
Net cash from financing activities		(3,977,092)	(5,584,750)
Increase in cash and cash equivalents		9,777,470	2,123,943
Cash and cash equivalents at beginning of year	2	8,528,926	6,404,983
Cash and cash equivalents at end of year	2	18,306,396	8,528,926

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the year ended 31 December 2022

1. Reconciliation of profit before taxation to cash generated from operations

	2022	2021
	£	£
Profit before taxation	10,068,097	4,826,312
Depreciation charges	2,898,409	2,804,862
Loss on disposal of fixed assets	2,065	-
Impairment of fixed assets	-	582,652
Translation differences	(169,299)	(492,896)
Finance income	(3,056)	-
	12,796,216	7,720,930
Increase in trade and other debtors	(4,498,817)	(877,461)
Increase in trade and other creditors	10,098,150	2,290,685
Cash generated from operations	18,395,549	9,134,154

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31/12/22	1/1/22
	£	£
Cash and cash equivalents	18,306,396	8,528,926

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	8,528,926	6,404,983

3. Analysis of changes in net funds

	At 1/1/22	Cash flow	At 31/12/22
	£	£	£
Net cash			
Cash at bank	8,528,926	9,777,470	18,306,396
	8,528,926	9,777,470	18,306,396
Total	8,528,926	9,777,470	18,306,396

1. **Statutory information**

Chatham Financial Europe, Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Amounts are rounded to the nearest £.

2. **Accounting policies**

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are prepared on a going concern basis.

Set out below is a summary of the principal accounting policies, all of which have been applied consistently (except as otherwise stated).

Basis of consolidation
The Consolidated Income Statement and Balance Sheet includes the financial statements of the Parent Company and its subsidiary undertakings made up to 31 December 2022. The results of subsidiaries sold or acquired are included in the Income Statement up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. These financial statements incorporate the results of business combinations using the purchase method.

Significant judgements and estimates
In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Critical judgements in applying the Group's accounting policies
The critical judgement that the directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

(i) Assessing indicators and impairment
In assessing whether there have been any indicators or impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience or recoverability. There have been no indicators or impairments identified during the current financial year.

(ii) Share based payments
The Group's employees have been granted share options by the ultimate parent company, Chatham Financial Corporation. The expense charged to the Income Statement is an estimation based upon the fair values of the options spread over the vesting period.

2. **Accounting policies - continued**

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Recoverability of receivables
The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience and recoverability, and the credit profile of individual or groups of customers.

(ii) Determining residual values and useful economic lives of property, plant and equipment
The Group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives is based on historical performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised in line with accrual accounting based on fees received for services provided during the year.

Chatham provide financial advisory services and recognise income as the service is performed.

Goodwill
On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration paid for a business exceeds the value of such net assets. Goodwill arising on acquisition, on consolidation, is capitalised and subject to impairment review, at the end of the first full financial year following acquisition and in other periods if there are indications that the carrying value may not be recoverable. Goodwill is amortised over its estimated useful life, which has been assessed as being 10 years.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets
Depreciation is provided for at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land and building leasehold	- Over the term of the lease
Plant and machinery	- Straight line between 3 and 7 years
Fixtures and fittings	- Straight line between 4 and 7 years
Computer equipment	- Straight line between 3 and 5 years

Property, plant and equipment are initially recognised at costs which is the purchase price plus any directly attributable costs. Subsequently property plant and equipment are measured at cost less accumulated depreciation and impairment losses, except for land and buildings which are measured using the revaluation model. Assets are not depreciated until they come into use.

2. **Accounting policies - continued**

Impairment of assets
At each reporting date the Group reviews the carrying value of its assets to determine whether there is any indication that these 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.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to the Income Statement in administrative expenses.

Financial instruments
Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds financial instruments which comprise cash and cash equivalents, trade and other receivables, equity investments, trade and other payables, loans and borrowings. The Group has chosen to apply the provisions of Section 11 Basic Financial Instruments in full.

Financial assets and liabilities - classified as basic financial instruments

(i) Cash and cash equivalents
This includes cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Trade and other receivables
Trade and other receivables are initially recognised at the transaction price, including any transaction costs and subsequently measured at amortised cost including the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Group assesses whether there is objective evidence that a receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in the Income Statement.

(iii) Equity investments
Equity investments comprise ordinary shares. Any equity investments held are initially recognised at fair value, which is the transaction price excluding transaction costs and are subsequently measured at fair value through profit or loss.

(iv) Trade and other payables and loans and borrowings
Trade and other payables and loans and borrowings are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method when appropriate.

2. Accounting policies - continued

Foreign currencies
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at that date the transaction took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary asset and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in the Income Statement.

The accounting records of the Polish subsidiary are maintained in Polish Zloty, its functional currency, which is different to Pound Sterling, the functional and presentational currency of the Group. All assets and liabilities denominated in the Polish Zloty are translated into the presentation currency at the Balance Sheet date and are translated at the exchange rate ruling at that date. The revenues and expenses denominated in Polish Zloty are translated into the presentation currency at average exchange rates. Foreign exchange differences arising on translation from Polish Zloty to its presentation currency are recognised within the Other Comprehensive Income Statement.

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

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

<u>The Group as a lessee</u>
Assets held under finance lease arrangements are recognised as assets within property, plant and equipment at their fair value, or if lower at the present value of the minimum lease payments, each determined at the inception of the lease. The assets are subsequently depreciated over the shorter of the lease terms and their useful life. The corresponding finance lease liability is recognised as a finance obligation, with lease payments being apportioned between finance charges and a reduction to the lease obligation so as to achieve a constant rate of interest on the remaining amount of the liability. Finance charges are recognised within the Income Statement.

Payments made under operating lease arrangements are charged to the Income Statement on a straight line basis over the lease term. Benefits receivable as operating lease incentives are recognised within the income statement on a straight line basis offer the lease term.

Pension costs and other post-retirement benefits
The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the income statement in the period to which they relate. These amounts are held in a administered fund, separate from the Company.

Share-based payments
Through the ultimate parent company, Chatham Financial Corporation, the Company has issued share options and awards to certain directors and employees. These must be measured at fair value and recognised as an expense in the income statement. The fair value of the options was estimated at the date of grant by the directors after seeking independent professional advice. The fair value will be charged as an expense in the income statement over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

2. Accounting policies - continued

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

Equity

Equity instruments are classified in accordance with the substance of contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Group are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Going concern

The financial statements have been prepared on a going concern basis.

The directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment.

Based on assessment, the directors consider that the Group maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations and external debt liabilities.

In addition, the Group's assets are assessed for recoverability on a regular basis, and the directors consider that the Group is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The Group also have the continued support from its ultimate parent Company, who have the financial resources available to financially support the group for the foreseeable future if required.

Based on these assessments and continued support from the parent Company, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the financial statements.

3. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the Group.

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
Corporate finance activities	38,069,127	24,125,992
Chatham Group consultancy	3,158,381	2,318,660
	41,227,508	26,444,652

4. Employees and directors

	2022	2021
	£	£
Wages and salaries	15,714,325	9,893,695
Social security costs	829,320	992,444
Other pension costs	436,839	327,160
	16,980,484	11,213,299

4. **Employees and directors - continued**

The average number of employees during the year was as follows:

	2022	2021
Operation and marketing	50	99
Administration	11	8
	61	107

All figures above are inclusive of the directors of the Company.

5. **Directors' emoluments**

	2022	2021
	£	£
Directors' remuneration	1,220,237	479,648
Directors' pension contributions to money purchase schemes	10,000	2,925

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	-	1

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	485,169	317,402
Pension contributions to money purchase schemes	10,000	-

6. **Exceptional items**

	2022	2021
	£	£
Group restructure	(4,790,522)	(1,856,632)

7. **Profit before taxation**

The profit is stated after charging/(crediting):

	2022	2021
	£	£
Other operating leases	574,193	460,030
Depreciation - owned assets	172,762	275,174
Loss on disposal of fixed assets	2,065	506
Goodwill amortisation	2,725,647	2,529,688
Foreign exchange differences	(843,564)	(14,476)
Share based payments	453,644	223,151

8. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	60,000	48,780
Total audit fees	60,000	48,780
All other services	21,000	-
Taxation compliance services	-	2,000
Other non- audit services	-	23,120
Total non-audit fees	21,000	25,120
Total fees payable	81,000	73,900

9. Taxation

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	3,063,509	1,409,198
Overseas taxation	212,860	18,603
Total current tax	3,276,369	1,427,801
Origination and reversal of timing differences	115,369	1,213
Tax on profit	3,391,738	1,429,014

UK corporation tax was charged at 19% in 2021.

9. Taxation - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	10,068,097	4,826,312
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,912,938	916,999
Effects of:		
Expenses not deductible for tax purposes	997,540	7,702,865
Capital allowances in excess of depreciation	(43,158)	-
Depreciation in excess of capital allowances	-	29,185
Utilisation of tax losses	-	(235,430)
Income from shares in group	-	(1,593,661)
Share based payment adjustment	(6,040)	(42,559)
Losses in subsidiaries not utilised	-	(5,367,699)
UK deferred tax movement	99,633	18,603
(Profit)/ Loss on disposal of fixed assets	-	(502)
Overseas deferred tax movement	(54,460)	1,213
Differences in tax rate	(39,812)	-
Permanent differences	517,873	-
Prior year underprovision	7,224	-
Total tax charge	3,391,738	1,429,014

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	2022 Net £
Translation reserve	313,756	-	313,756

	Gross £	Tax £	2021 Net £
Translation reserve	(465,160)	-	(465,160)

10. Individual income statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these financial statements.

11. Dividends

	2022 £	2021 £
Ordinary shares of £1 each		
Final	-	5,584,750

12. Intangible fixed assets

Group

	Goodwill £
Cost	
At 1 January 2022 and 31 December 2022	27,256,466
Amortisation	
At 1 January 2022	5,594,060
Amortisation for year	2,725,647
At 31 December 2022	8,319,707
Net book value	
At 31 December 2022	18,936,759
At 31 December 2021	21,662,406

As part of the business combination of Ensco 1240 Limited and its subsidiaries in 2019, deferred consideration of £4,011,000 was included in the purchase price. The fair value of deferred consideration was calculated using a "MONTE-CARLO" analysis which incorporates market specific risks and has been reviewed for impairment on an annual basis. In 2022 the impairment review was conducted and the fair value of deferred consideration was uplifted by £Nil to £848,000 (2021: £535,000 uplift).

Following restructuring within the Group during 2021 an impairment of the investment in subsidiary within the individual Company accounts was undertaken. The directors are of the opinion that the remaining goodwill balance is not impaired as the current and future benefit being derived from the acquisition will continue for the foreseeable future.

13. Tangible fixed assets

Group

	Land and buildings leasehold £	Improvements to property £	Plant and machinery £
Cost			
At 1 January 2022	478,477	115,911	99,622
Additions	-	-	-
Disposals	-	-	(12,284)
Exchange differences	-	3,919	303
At 31 December 2022	478,477	119,830	87,641
Depreciation			
At 1 January 2022	301,822	65,133	80,871
Charge for year	95,695	-	-
Eliminated on disposal	-	-	(12,284)
Exchange differences	-	22,595	1,232
At 31 December 2022	397,517	87,728	69,819
Net book value			
At 31 December 2022	80,960	32,102	17,822
At 31 December 2021	176,655	50,778	18,751

13. Tangible fixed assets - continued

Group

	Fixtures and fittings	Computer equipment	Totals
	£	£	£
Cost			
At 1 January 2022	1,108,774	1,093,227	2,896,011
Additions	-	305,035	305,035
Disposals	(979,009)	(262,057)	(1,253,350)
Exchange differences	5,109	(35,814)	(26,483)
At 31 December 2022	134,874	1,100,391	1,921,213
Depreciation			
At 1 January 2022	1,041,040	943,692	2,432,558
Charge for year	21,609	55,458	172,762
Eliminated on disposal	(979,008)	(258,369)	(1,249,661)
Exchange differences	17,778	-	41,605
At 31 December 2022	101,419	740,781	1,397,264
Net book value			
At 31 December 2022	33,455	359,610	523,949
At 31 December 2021	67,734	149,535	463,453

Company

	Land and buildings leasehold	Improvements to property	Plant and machinery
	£	£	£
Cost			
At 1 January 2022	478,477	2,589	12,284
Additions	-	-	-
Disposals	-	-	(12,284)
At 31 December 2022	478,477	2,589	-
Depreciation			
At 1 January 2022	301,822	2,589	12,284
Charge for year	95,695	-	-
Eliminated on disposal	-	-	(12,284)
At 31 December 2022	397,517	2,589	-
Net book value			
At 31 December 2022	80,960	-	-
At 31 December 2021	176,655	-	-

13. **Tangible fixed assets - continued**

Company

	Fixtures and fittings	Computer equipment	Totals
	£	£	£
Cost			
At 1 January 2022	1,027,836	812,304	2,333,490
Additions	-	259,262	259,262
Disposals	(979,009)	(262,057)	(1,253,350)
At 31 December 2022	48,827	809,509	1,339,402
Depreciation			
At 1 January 2022	997,223	740,726	2,054,644
Charge for year	21,609	52,473	169,777
Eliminated on disposal	(979,008)	(258,369)	(1,249,661)
At 31 December 2022	39,824	534,830	974,760
Net book value			
At 31 December 2022	9,003	274,679	364,642
At 31 December 2021	30,613	71,578	278,846

14. **Fixed asset investments**

Company

	Shares in group undertakings
	£
Cost	
At 1 January 2022 and 31 December 2022	2,910,719
Net book value	
At 31 December 2022	2,910,719
At 31 December 2021	2,910,719

The Group or the Company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Chatham Financial Europe Sp.Z.o.o
Registered office: Ul. Kotlarska nr 11, Krakow, 31-539, Poland
Nature of business: Investment advisory services

Class of shares:	% holding
Ordinary	100.00

	2022	2021
	£	£
Aggregate capital and reserves	3,258,127	2,987,697
Profit for the year	1,096,638	560,264

14. **Fixed asset investments - continued**

Ensco 1240 Limited
Registered office: 12 St James Square, London, SW1Y 4LB
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2022 £	2021 £
Profit for the year	-	8,877,752

Ensco 1149 Limited
Registered office: 12 St James Square, London, SW1Y 4LB
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2022 £	2021 £
Profit for the year	-	10,003,037

JCRA Group Limited
Registered office: 12 St James Square, London, SW1Y 4LB
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2022 £	2021 £
Profit for the year	-	1,732,332

J.C. Rathbone Holdings Limited
Registered office: 12 St James Square, London, SW1Y 4LB
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2022 £	2021 £
Profit for the year	-	3,195,019

J.C. Rathbone Associates Limited
Registered office: 12 St James Square, London, SW1Y 4LB
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2022 £	2021 £
Loss for the year	-	(51,179)

14. Fixed asset investments - continued

The undertakings in which the company holds more than 25% of share capital are listed below

Name	Country of incorporation	Registered address	Class of shares held	Percentage of shares held	Nature of business
Chatham Financial Europe Sp.Z.o.o	Poland	Ul. Kotlarska nr 11, Krakow, 31-539,Poland	Ordinary	100%	Consultancy services
ENSCO 1240 Limited	England and Wales	12 St James Square, London, SW1Y 4LB	Ordinary	100%	Dissolved - 7 February 2023
ENSCO 1149 Limited	England and Wales	12 St James Square, London, SW1Y 4LB	Ordinary	100%	Dissolved 7 February 2023
JCRA Group Limited	England and Wales	12 St James Square, London, SW1Y 4LB	Ordinary	100%	Dissolved - 7 February 2023
J. C. Rathbone Holdings Limited	England and Wales	12 St James Square, London, SW1Y 4LB	Ordinary	100%	Dissolved - 24 January 2023
J. C. Rathbone Associates Limited	England and Wales	12 St James Square, London, SW1Y 4LB	Ordinary	100%	Dissolved - 24 January 2023

15. Debtors: amounts falling due within one year

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**
Trade debtors	10,918,962	5,686,773	10,685,450	5,483,958
Amounts owed by group undertakings	206,336	773,758	-	565,303
Other debtors	104,169	7,227	13,333	4,740
Tax	217,891	258,928	-	-
Deferred tax asset	-	-	-	30,424
Prepayments and accrued income	771,516	1,034,408	659,272	919,941
	12,218,874	7,761,094	11,358,055	7,004,366

16. Cash at bank

Cash at bank and in hand includes balances with the following institutions who exert securities over the Company:

<u>Security held by HSBC</u>
Debenture including Fixed Charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating charge over all assets and undertaking both present and future.

17. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	168,391	274,548	113,982	248,041
Amounts owed to group undertakings	708,170	172,804	801,614	172,804
Tax - UK	39,425	777,672	39,425	777,672
Social security and other taxes	339,123	772,105	289,909	772,105
VAT	336,906	313,422	565,563	418,917
Other creditors	5,630,047	192,548	5,630,047	70
Accruals and deferred income	8,189,040	3,548,100	7,568,601	3,133,551
	15,411,102	6,051,199	15,009,141	5,523,160

18. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	484,637	528,540
Between one and five years	-	474,962
	484,637	1,003,502

19. Financial instruments

The Group has the following financial instruments:

	2022	2021
Debtors	£	£
Financial assets that are debt instruments measured at amortised cost:		
- Cash at bank and in hand	18,622,867	8,528,926
- Trade debtors	10,918,962	5,686,773
- Amounts owed by group undertakings	206,336	773,758
- Other debtors	104,169	7,227
- Accrued income	210,631	480,628
	30,062,964	15,477,312

	2022	2021
Creditors	£	£
Financial liabilities measured at amortised cost:		
- Trade creditors	168,390	274,548
- Amounts owed to group undertakings	708.170	172,804
- Accruals	6,531,621	2,227,436
	7,408,181	2,674,788

The Company has the following financial instruments:

	2022	2021
Debtors	£	£
Financial assets that are debt instruments measured at amortised cost:		
- Cash at bank and in hand	14,822,952	5,912,334
- Trade debtors	10,685,450	5,483,958
- Amounts owed by group undertakings	-	565,303
- Other debtors	13,333	4,740
- Accrued income	210,631	480,628
	25,732,366	12,446,963

	2022	2021
Creditors	£	£
Financial liabilities measured at amortised cost:		
- Trade creditors	113,984	248,041
- Amounts owed to group undertakings	801,614	172,804
- Accruals	5,911,181	1,812,888
	6,826,780	2,233,733

20. Provisions for liabilities

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax				
Accelerated capital allowances	87,363	87,227	69,209	-
Other timing differences	-	(45,037)	-	-
	87,363	42,190	69,209	-
Other provisions				
Deferred consideration	-	848,000	-	848,000
Aggregate amounts	87,363	890,190	69,209	848,000

Group

	Deferred tax
	£
Balance at 1 January 2022	42,190
Charge to Income Statement during year	99,633
Tax asset of group	
Overseas deferred tax adjusted	(54,460)
Balance at 31 December 2022	87,363

Company

	Deferred tax
	£
Balance at 1 January 2022	(30,424)
Charge to Income Statement during year	99,633
Balance at 31 December 2022	69,209

21. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
500,000	Ordinary	£1	500,000	500,000

22. Reserves

Group

	Retained earnings £	Other reserves £	Totals £
At 1 January 2022	(161,696)	31,136,186	30,974,490
Profit for the year	6,676,359		6,676,359
Translation reserve	313,756	-	313,756
Capital repayment to parent	-	(3,977,092)	(3,977,092)
At 31 December 2022	6,828,419	27,159,094	33,987,513

Company

	Retained earnings £	Other reserves £	Totals £
At 1 January 2022	(21,901,081)	31,136,186	9,235,105
Profit for the year	8,303,534		8,303,534
Capital repayment to parent	-	(3,977,092)	(3,977,092)
At 31 December 2022	(13,597,547)	27,159,094	13,561,547

23. Pension commitments

Defined contribution

	2022 £	2021 £
Contributions payable by the Company for the year	436,836	327,160

24. Ultimate parent company

The ultimate parent company is Chatham Financial Corporation, a company registered in the state of Pennsylvania, USA.

25. Related party disclosures

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Chatham Financial Corporation group.

Transactions between Group entities which have been eliminated on consolidation are not disclosed within the financial statements.

During the year, key management personnel compensation of £1,250,236 was paid.

This amount is included within wages and salaries in note 6 of the financial statements.

26. Ultimate controlling party

There is no ultimate controlling party.

27. Share-based payment transactions

The annual bonus award is a combination of cash and equity awards in the parent company in accordance with the group's bonus policy. Chatham Financial Europe, Ltd (CFE) does not issue its equity to employees for compensation, but employees of CFE are eligible for equity based compensation from the parent company. The non-vested shares are amortised and allocated to CFE as they vest, and the related compensation is expensed as the shares are earned and paid out to the CFE employees.

Further details of the share based payments are as follows:

Time Vested Restricted Stock Program

	Number of shares 2022	Weighted average price 2022 $	Number of shares 2021	Weighted average price 2021 $
At beginning of the year	6,404	111.30	4,102	78.05
Granted / employees transferred to CFE	7,769	171.37	3,665	111.27
Forfeited	(586)	(110.45)	-	-
Exercised	(3,157)	(123.40)	(1,363)	(62.35)
Outstanding at end of the year	10,430	151.41	6,404	109.64

The vesting schedules vary among the grants, generally vesting over a period of 1 - 4 years or based on performance.

The vesting conditions provide that the employees complete the required years of service as stipulated in the particular grant.

A charge for the year of £443,369 (2021: £237,035) has been made in relation to these awards.

Leveraged Restricted Stock Equity Program

The Leveraged Restricted Stock Equity Program (or LREP) is a performance based stock grant program. It consists of (i) a distribution reinvestment/discounted purchase program and (ii) performance based restricted stock grants. The grantee pays taxes on the full distribution on the owned/vested shares, and owes taxes as vesting occurs.

The table below provides detail of movements in these shares during the period.

	Number of options 2022	Total value 2022 $	Number of options 2021	Total value 2021 $
At beginning of the year	235	6,534	265	7,542
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised / other movements	(235)	(6,534)	(30)	(1,008)
Outstanding at end of the year	-	-	235	6,534

A charge for the year of £4,925 (2021: £6,342 credit) has been made in relation to these awards.

Remuneration Policy Statement

Chatham Financial Europe, Ltd (the "**Firm**") is a small non-interconnected firm subject to certain aspects of the remuneration rules contained in the FCA's MIFIDPRU and SYSC Sourcebooks of the FCA's Handbook. The Firm's remuneration policy (the "**Policy**") applies to all staff and covers an individual's total remuneration, fixed and variable. The Firm incentivises staff through a combination of the two. The balance between fixed and variable remuneration is typically based upon the staff member's role.

The Firm's business is to provide financial risk management advisory and consultancy services to a variety of professional clients who are end users of derivatives. The Firm does not hold client money.

The Policy is designed to ensure that the Firm complies with the FCA's rules and that the Firm's compensation arrangements:

1. Are consistent with and promote sound and effective risk management;
2. Do not encourage excessive risk taking;
3. Include measures to avoid conflicts of interest; and
4. Are in line with the Firm's business strategy, objectives, values and long-term interests.

Application of the requirements

We are required to disclose certain information on at least an annual basis regarding the Policy. This disclosure is made in accordance with the Firm's size, internal organisation and the nature, scope and complexity of its activities.

1. *Summary of the decision-making process and governance surrounding the development of the Policy*

- The Policy has been agreed by the Firm's senior management which has overall responsibility for overseeing its implementation. Its review and development are supported by the Firm's compliance officer, HR department and its business units.
- Under the FCA's rules, the Firm is not required to appoint an independent remuneration committee.
- The Policy will be reviewed as part of annual processes and procedures, or following a material change to the Firm's business activities.

2. *Summary of how the Firm determines fixed remuneration*

Fixed remuneration is paid in cash and determined by the staff member's professional experience and responsibilities with respect to the Firm as set out in the staff member's job description and employment contract.

3. *Summary of how the Firm links variable remuneration and performance*

Variable remuneration comprises:
(a) a discretionary company cash bonus;
(b) an individual discretionary cash bonus; or
(c) equity grants, usually with multi-year vesting terms, in the Firm's parent company Chatham Financial Corp. ("**CFC**").

The company cash bonus is paid up to a maximum threshold of 5% of a staff member's fixed base salary, and the calculation of the award is formulaic to the revenue performance of CFC.

An individual cash bonus payment may be available at the sole discretion of senior management. Opportunities to acquire shares in CFC are made at the discretion of CFC's board of directors.

Any guaranteed variable remuneration award is only made in very exceptional circumstances such as the hiring of new staff and in such cases is limited to the first year of the staff member's employment.

Individuals are rewarded variable remuneration based on their contribution to the overall strategy of the business by having:

(a) a positive and growing impact on Chatham's purposes and values;
(b) demonstrated or expected ability to either:
  - identify and structure early stage of development of solutions for clients (external and internal), or
  - scale and create operational efficiencies within existing offerings.

(c) demonstrated the ability to attract, retain and develop talent, and to build highly effective and functioning teams;
(d) external market visibility, influence and respect developed through preserving and enhancing Chatham's brand;
(e) thought and acted like a steward, including demonstrating a "One Chatham" mindset, regularly going beyond the expected scope of responsibilities and refraining from a transactional mindset in interactions with the Firm;
(f) technical expertise and mastery demonstrated over time; or
(g) versatility as expressed by the ability to play multiple roles within the team at a high level.

Other factors such as performance, reliability, conduct, leadership qualities, adherence to risk management and compliance policies and procedures, business development and overall contribution to the business are considered when assessing the performance of employees. With respect to equity opportunities in CFC, the potential to positively impact shareholder value, tenure at the Firm and the individual's current equity position are considered.

4. Available variable remuneration is directly related to the Firm's performance as a whole and its individual business units. The factors listed above are considered when determining each individual staff member's variable remuneration, if any. The Firm believes these factors align with its clients' interests.

5. For 2022, the total amount of remuneration awarded to all staff was £8,122,168 of which £5,956,245 was fixed remuneration and £2,165,923 was variable remuneration.