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**GVQ Investment Management Limited**

**Registered Number - 4493500**

**Annual Report and Financial Statements  
For the year ended 31 December 2022**

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REGISTERED OFFICE: 16 BERKELEY STREET LONDON W1J 8DZ REGISTERED IN ENGLAND: NO.4493500 AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY

**GVQ Investment Management Limited**

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## GVQ Investment Management Limited

### Strategic Report for the year ended 31 December 2022

#### Principal activities and strategy

GVQ Investment Management Limited (the 'Company' or the 'Firm') is a London based specialist fund manager and advisor, created with the objective of adopting private equity investment techniques and adapting them for use in the public equity markets. The registered office of the Company is 16 Berkeley Street, London, W1J 8DZ. The Company is a Limited Company (by shares) and incorporated in the United Kingdom.

The Company was authorised as a full scope AIFM on 22 July 2014 and offers investment strategies that follow the same distinctive investment process and are driven by a single research platform:

#### GVQ UK Focus Fund

The GVQ UK Focus Fund ('UKFF') invests in the equity of up to 35 UK quoted companies which have been identified as undervalued using private equity based valuation techniques. The Fund is not constrained by market indices and aims to maximise returns for investors over the medium term.

#### GVQ Opportunities Fund

The GVQ Opportunities Fund ('OPPS') invests in the equity of up to 45 UK quoted companies which have been identified as undervalued using private equity based valuation techniques. It may invest up to a maximum 20% in non-UK companies. It is not constrained by market indices and aims to maximise returns over the medium term.

#### Key performance indicators

The Directors consider the key performance indicators for the Company to be as follows:

| Measure                      | 2022        | 2021      | Change    |
|------------------------------|-------------|-----------|-----------|
| Management Fee income (£)    | 1,374,449   | 1,631,986 | (257,537) |
| (Loss) before tax (£)        | (1,077,046) | (652,813) | (424,233) |
| Funds Under Management (£'m) | 164         | 215       | (51)      |

During the year funds under management decreased from £215m as at 31 December 2021 to £164m as at 31 December 2022. During the year UKFF generated a total return of -4.96% (2021: 18.62%), OPPS generated a total return of -1.01% (2021: 13.97%). Management fee income decreased from £1,631,986 in 2021 to £1,374,449 in 2022 as a result of decreased average funds under management.

#### Likely future developments

The Company aims to increase funds under management through positive fund performance and net fund inflows.

#### Principal risks and uncertainties

The Directors are responsible for the risk management of the Company from a strategic, business and process risk perspective. The Directors have assessed the currency risk, operational risk, client risk, price risk, credit risk and liquidity risk exposure of the Company based on underlying activity performed.

#### Market Price risk

The Company is exposed to market price risk as management fee income is calculated as a percentage of net asset value of the managed funds.

## **GVQ Investment Management Limited**

### **Strategic Report for the year ended 31 December 2022 (continued)**

#### Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company is exposed to credit risk in relation to management fee payments, and deposits held with the bank.

#### Liquidity risk

The Firm does not maintain any credit, overdraft or loan facilities. For this reason, the Directors consider any liquidity risk to be negligible.

#### Inflation risk

The Ukraine conflict and consequential energy uncertainties, inflationary pressures and cost of living increases have impacted the Company and Funds under Management in 2022 and will continue to do so in 2023. The Board of Directors ("the Board") anticipate that inflation should reduce somewhat in 2023 and will continue seeking to cut fixed overheads where possible.

#### **Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006**

When setting the Company strategy, the Directors consider the potential consequence of decisions which may have a long term impact on all of the Company's stakeholders. The key stakeholders of the Company are its clients, suppliers, shareholders and employees. The Directors also consider the impact of their decisions and of the operations of the Company in general, on the community and the environment at large.

The Directors regularly engage with stakeholders in order to gain information necessary to make informed decisions having regard to stakeholder interests. The Directors understand that culture, values and standards underpin how the Company creates and sustains value over the long term and are a key element of how it maintains a reputation for high standards of business conduct.

The Directors believe the capital allocation and dividend policies of the Company are appropriate to promote its long term success.

#### **Ultimate parent undertaking**

The Company is a wholly owned subsidiary of GVQIM Holdings Limited

On behalf of the Board, 17 April 2023



Ben Russell  
Director

## **GVQ Investment Management Limited**

### **Report of the Directors for year ended 31 December 2022**

The Directors submit their report together with the audited financial statements of the Company for the year ended 31 December 2022.

#### **Directors**

The Directors in office during the year and as at the date of this report were:

Ben Russell  
Jamie Seaton  
Jonathan Morgan

#### **Results and dividends**

During the year the Company made a loss after tax for the year of £1,077,046 (2021: loss of £535,694). No dividend was paid during the year (2021: nil).

#### **Directors and directors' interests**

Jamie Seaton is a 50% controller of GVQIM Holdings Limited and Jonathan Morgan is a 50% controller of GVQIM Holdings Limited.

#### **Directors' and officers' liability insurance**

The Company maintains its own directors' and officers' liability insurance policy. The policy includes a qualifying third party indemnity provision which was in force during the financial year and also at the date of approval of the financial statements.

#### **Financial instruments and risk profile**

The Company's financial instruments are discussed in Note 1 and Note 16. The main financial risks faced by the Company and the management of those risks are set out in Note 16.

#### **Going concern**

The Company made a loss after tax in the year of £1,077,046 (2021: loss of £535,694) and had a cash balance of £936,675 as at 31 December 2022 (2021: £1,788,490). The Directors consider the going concern basis to be appropriate because in the opinion of the Board, based on budgets and cashflow forecasts, the Company will be able to pay its debts as they arise for a period of at least 12 months from the approval of these financial statements. The Directors have also received assurances from one of the ultimate beneficial owners of their current intention to provide such financial support as may be required to enable the Company to continue in operation, or a strategic solution is found. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

#### **Matters covered in the Strategic Report**

The Company's principal risks and uncertainties, key performance indicators and s172 Statement are set out in the Strategic Report.

#### **Independent Auditors**

Under section 487(2) of the Companies Act 2006, Rawlinson & Hunter Audit LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**GVQ Investment Management Limited**

**Report of the Directors for year ended 31 December 2022  
(continued)**

**Provision of information to auditors**

With regard to the preparation of the Annual Report and Financial Statements of the Company for the year ended 31 December 2022, the Directors have confirmed to the auditors that:

- so far they are aware, there is no relevant audit information of which the auditors are unaware; and
- they have taken the steps appropriate as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**MIFIDPRU 8 Disclosures**

The Company's MIFIDPRU 8 disclosures are published on the Company's website [www.gvqim.com](http://www.gvqim.com)

On behalf of the Board, 17 April 2023



Ben Russell  
Director

## **GVQ Investment Management Limited**

### **Statement of Directors' responsibilities in respect of the financial statements for year ended 31 December 2022**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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 the financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors 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.

**GVQ Investment Management Limited**  
**Independent auditors' report to the members of GVQ Investment Management Limited**

**Opinion**

We have audited the financial statements of GVQ Investment Management Limited ("the Company") for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Cash flow statement, the Statement of changes in equity 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 International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the United Kingdom; 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 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



## **GVQ Investment Management Limited**

### **Independent auditors' report to the members of GVQ Investment Management 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 on page 7, 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.

#### **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.

Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively simple business model and relatively low volume of transactions within the Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and

**GVQ Investment Management Limited**

**Independent auditors' report to the members of GVQ Investment Management Limited (continued)**

- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

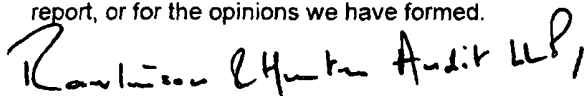
- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the analytical review of the detailed Statement of comprehensive income for variances that are either unexpected or considered not to be in accordance with our understanding of the business during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by International Financial Reporting Standards) and reviewing the ledgers of the Company for previously unreported related party transactions;
- the review of the Company's FCA returns to assess compliance with the FCA's capital, solvency and client asset requirements; and
- review of transactions and journals for any indication of fraud or management override.

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](http://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.



Kulwarn Nagra  
Senior Statutory Auditor  
for and on behalf of  
**Rawlinson & Hunter Audit LLP**  
Statutory Auditor & Chartered Accountants  
Eighth Floor  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

18 April 2023

**GVQ Investment Management Limited**

**Statement of comprehensive income for the year ended  
31 December 2022**

|   |       | For the year ended<br>31 December 2022 | For the year ended<br>31 December 2021 |
|---|-------|--|--|
|   | Notes | £                                      | £                                      |
| <b>Operating income</b>                                 |       |  |  |
| Fee income  |       | 1,374,449                              | 1,631,986                              |
| <b>Total revenue</b>                                    | 2     | 1,374,449                              | 1,631,986                              |
| <b>Operating expenses</b>                               |       |  |  |
| Administrative expenses                                 | 3     | (2,451,623)                            | (2,266,930)                            |
| <b>Operating loss</b>                                   |       | (1,077,174)                            | (634,945)                              |
| Other operating income                                  |       | 12,813                                 | 428                                    |
| Exchange loss   |       | (10,072)                               | (7,031)                                |
| Finance costs   | 6     | (2,613)                                | (11,266)                               |
| <b>Loss before tax</b>                                  |       | (1,077,046)                            | (652,813)                              |
| Tax   | 7     | -                                      | 117,119                                |
| <b>Loss for the year and total comprehensive income</b> |       | (1,077,046)                            | (535,694)                              |

All items in the above statement derive from continuing operations.

The notes on pages 15 to 28 form an integral part of these financial statements.

**GVQ Investment Management Limited**

**Statement of changes in equity for the year ended  
31 December 2022**

|   | Called up<br>Share capital | Share<br>Premium | Capital<br>contribution<br>reserve | Profit and<br>loss<br>reserve | Total equity |
|---|----------------------------|------------------|------------------------------------|-------------------------------|--------------|
|   | £                          | £                | £                                  | £                             | £            |
| For the year ended 31 December 2022                 |                            |                  |                                    |                               |              |
| Balance as at 1 January 2022                        | 799,999                    | 672,800          | 500,000                            | 486,703                       | 2,459,502    |
| Loss for the year and total<br>comprehensive income | -                          | -                | -                                  | (1,077,046)                   | (1,077,046)  |
| Balance at 31 December 2022                         | 799,999                    | 672,800          | 500,000                            | (590,343)                     | 1,382,456    |
| For the year ended 31 December 2021                 |                            |                  |                                    |                               |              |
| Balance as at 1 January 2021                        | 799,999                    | 672,800          | 500,000                            | 1,022,397                     | 2,995,196    |
| Loss for the year and total<br>comprehensive income | -                          | -                | -                                  | (535,694)                     | (535,694)    |
| Balance at 31 December 2021                         | 799,999                    | 672,800          | 500,000                            | 486,703                       | 2,459,502    |

The notes on pages 15 to 28 form an integral part of these financial statements.

**GVQ Investment Management Limited**

**Statement of financial position as at 31 December 2022**

|                               | Notes | As at<br>31 December 2022<br>£ | As at<br>31 December 2021<br>£ |
|-------------------------------|-------|--------------------------------|--------------------------------|
| <b>Non-current assets</b>     |       |                                |                                |
| Property, plant and equipment | 8     | 35,943                         | 101,138                        |
| Deferred tax asset            | 11    | -                              | -                              |
|                               |       | 35,943                         | 101,138                        |
| <b>Current assets</b>         |       |                                |                                |
| Trade and other receivables   | 9     | 567,930                        | 806,338                        |
| Cash and cash equivalents     | 9     | 936,675                        | 1,788,490                      |
|                               |       | 1,504,605                      | 2,594,828                      |
| <b>Total assets</b>           |       | 1,540,548                      | 2,695,966                      |
| <b>Current liabilities</b>    | 10    | (158,092)                      | (236,464)                      |
| <b>Net assets</b>             |       | 1,382,456                      | 2,459,502                      |
| <b>Equity</b>                 |       |                                |                                |
| Called up share capital       | 12    | 799,999                        | 799,999                        |
| Share Premium                 | 12    | 672,800                        | 672,800                        |
| Capital contribution reserve  |       | 500,000                        | 500,000                        |
| Profit and loss reserve       | 13    | (590,343)                      | 486,703                        |
| <b>Total equity</b>           |       | 1,382,456                      | 2,459,502                      |

The financial statements on pages 11 to 28 were approved by the Board of Directors on 17 April 2023 and were signed on its behalf by:



Ben Russell  
Director

Company number: 4493500

**GVQ Investment Management Limited**

**Cash flow statement for the year ended 31 December 2022**

|   | Notes | 2022<br>£ | 2021<br>£ |
|---|-------|-----------|-----------|
| <b>Net cash used in operating activities</b>            | 14    | (724,243) | (576,100) |
| <b>Investing activities</b>                             |       |           |           |
| Purchase of property, plant and equipment               | 8(a)  | -         | (12,096)  |
| <b>Net cash used in investing activities</b>            |       | -         | (12,096)  |
| <b>Financing activities</b>                             |       |           |           |
| Payments of leasing liabilities                         | 8(b)  | (117,500) | (165,000) |
| <b>Net cash used in financing activities</b>            |       | (117,500) | (165,000) |
| <b>Net decrease in cash and cash equivalents</b>        |       | (841,743) | (753,196) |
| Cash and cash equivalents at beginning of year          |       | 1,788,490 | 2,548,717 |
| Effect of foreign exchange on cash and cash equivalents |       | (10,072)  | (7,031)   |
| <b>Cash and cash equivalents at end of year</b>         |       | 936,675   | 1,788,490 |

The notes on pages 15 to 28 form an integral part of these financial statements.

## **GVQ Investment Management Limited**

### **Notes to the financial statements for the year ended 31 December 2022**

#### **1. Accounting policies**

##### **Basis of accounting**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect, and to the extent that they have been adopted by the United Kingdom and as applied in accordance with the provisions of the Companies Act 2006.

International Financial Reporting Standards as adopted by the UK differ in certain respects from International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). References to International Financial Reporting Standards hereafter should be construed as references to International Financial Reporting Standards as adopted by the UK.

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

The financial statements have been prepared on a going concern basis, in accordance with the Companies Act 2006 as applicable to companies using IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The accounting policies have been applied consistently.

##### **Critical accounting estimates and judgements**

The preparation of financial statements requires the Company to select accounting policies and make estimates and assumptions that affect items reported in the income statement, statement of financial position, other primary statements and notes to the financial statements.

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and their predictions of future events and actions. The Directors do not consider there to be any critical accounting estimates and judgements in the preparation of these financial statements.

##### **Going concern**

The Company made a loss after tax in the year of £1,077,046 (2021: loss of £535,694) and had a cash balance of £936,675 as at 31 December 2022 (2021: £1,788,490). The Directors consider the going concern basis to be appropriate because in the opinion of the Board, based on budgets and cashflow forecasts, the Company will be able to pay its debts as they arise for a period of at least 12 months from the approval of these financial statements. The Directors have also received assurances from one of the ultimate beneficial owners of their current intention to provide such financial support as may be required to enable the Company to continue in operation, or a strategic solution is found. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

## **GVQ Investment Management Limited**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **1. Accounting policies (continued)**

##### **Financial instruments**

Financial assets and financial liabilities are made up of accounts receivable, accounts payable and cash and cash equivalents. The Directors consider the fair values of accounts receivable and accounts payable approximate their carrying value. The Directors do not believe that the Company is exposed to significant credit risk, liquidity risk, currency risk or interest rate risk and have not taken any specific actions to mitigate these financial risks. There are no other financial instruments.

##### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Management fees are calculated as a percentage of the net asset value of the funds. Management fees are invoiced quarterly in arrears.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Interest income is classified within operating activities in the cash flow statement.

##### **Operating Expenses**

Costs are recognised on an accruals basis which means they are recorded when the service is performed regardless of when the expense is settled.

##### **Foreign currencies**

The functional currency of the Company is pounds sterling. Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on retranslation are included in net profit or loss for the period.

##### **Trade and other receivables**

Trade and other receivables are measured on recognition at fair value and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of comprehensive income based on the expected loss model at recognition in accordance with IFRS 9.

##### **Trade and other payables**

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.



## **GVQ Investment Management Limited**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **1. Accounting policies (continued)**

##### **Property, plant and equipment**

Fixtures and equipment are stated at cost, including direct acquisition costs, less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life. The rates used for calculation of depreciation are as follows:

|                        |     |
|------------------------|-----|
| Furniture and Fixtures | 20% |
| Office Equipment       | 33% |

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

The carrying values of property, plant and equipment are reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable.

##### **Taxation**

The tax credit represents the sum of the tax currently receivable and deferred tax.

The tax currently receivable is based on taxable losses for the year. Taxable losses differs from net losses as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

## **GVQ Investment Management Limited**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **1. Accounting policies (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes. Assets are classified as cash equivalents if they are readily convertible to cash and are not subject to significant changes in value.

##### **Retirement benefit costs**

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

#### **IFRS 16 Leases**

IFRS 16 defines a lease as a contract that has the 'right to control the use of an identified asset for a period of time in exchange for consideration'.

The mechanism of assessing whether a contract is or contains a lease lies with the customer and it must contain both items mentioned below to exist:

- The right to obtain substantially all the economic benefits from use of the identified asset, and
- The right to direct the use of the identified asset.

All leases are recognised on the lessee's Statement of financial position (subject to certain exemptions). The lessee is required to recognise right of use asset (measured at cost) and corresponding lease liabilities (measured at present value of future lease payments discounted using a discount rate of an incremental borrowing rate) in the Statement of financial position for all leases. However, this does not apply for short term lease and leases of low value.

Depreciation is charged on the right of use asset on a straight line basis over the expected life of the lease. The lease liability is reduced as lease payments are made with interest expense being recognised as a component of finance costs.

#### **Summary of new standards and interpretations applied or not applied**

Accounting policies are consistently applied other than where new policies have been adopted.

There were no new standards or amendments to existing standards published that are mandatory for the Company's accounting periods beginning on or after 1 January 2022 that have had a material impact to the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

**GVQ Investment Management Limited**

**Notes to the financial statements for the year ended  
31 December 2022 (continued)**

**2. Total Revenue**

|  | For the<br>year ended<br>31 December<br>2022<br>£ | For the<br>year ended<br>31 December<br>2021<br>£ |
|--|---|---|
| Income from investment management services | 1,374,449   | 1,631,986   |
|  | <b>1,374,449</b>                                  | <b>1,631,986</b>                                  |

**3. Administrative expenses**

|  | For the<br>year ended<br>31 December<br>2022<br>£ | For the<br>year ended<br>31 December<br>2021<br>£ |
|--|---|---|
| Auditors' remuneration for statutory audit | 15,500  | 17,877  |
| Right-of-use asset depreciation (Note 8)   | 111,625   | 154,948   |
| Staff costs (Note 4)                       | 1,660,939   | 1,543,487   |
| General expenses                           | 659,527   | 549,274   |
| Depreciation (Note 8)                      | 4,032   | 1,344   |
|  | <b>2,451,623</b>                                  | <b>2,266,930</b>                                  |

**4. Staff costs (including Directors' emoluments)**

|                       | For the<br>year ended<br>31 December<br>2022<br>£ | For the<br>year ended<br>31 December<br>2021<br>£ |
|-----------------------|---|---|
| Wages and salaries    | 1,161,671   | 1,175,000   |
| Social security costs | 167,563   | 152,991   |
| Other pension costs   | 167,809   | 174,000   |
| Other staff costs     | 163,896   | 41,496  |
|                       | <b>1,660,939</b>                                  | <b>1,543,487</b>                                  |

The Company has a total of 6 employees which were divided into 4 employees performing investment management activities and 2 employees performing support activities (2021: 8 employees – 4 investment management and 4 support). The monthly average number of staff employed by the Company was 7 (2021: 8).

## GVQ Investment Management Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 5. Directors' emoluments

The emoluments owing to the Directors of the Company are as follows:

|  | For the<br>year ended<br>31 December<br>2022<br>£ | For the<br>year ended<br>31 December<br>2020<br>£ |
|--|---|---|
| Aggregate remuneration in respect of qualifying services         | 596,342   | 593,534   |
| Aggregate amounts paid into defined contribution pension schemes | 60,000  | 60,000  |
| In respect of the highest paid director:                         |   |   |
| Aggregate remuneration   | 355,038   | 354,356   |
| Company contributions to defined contribution pension schemes    | 30,000  | 30,000  |

#### 6. Finance Costs

|   | For the year ended<br>31 December 2022<br>£ | For the year ended<br>31 December 2021<br>£ |
|---|---|---|
| Interest expense in respect of lease liabilities (Note 8) | 2,613                                       | 11,266                                      |
|   | 2,613                                       | 11,266                                      |

#### 7. Tax

##### Analysis of credit in year

Major components of the income tax credit for the years ended 31 December 2022 and 31 December 2021:

|  | For the year<br>ended 31<br>December<br>2022<br>£ | For the year<br>ended 31<br>December<br>2021<br>£ |
|--|---|---|
| <i>Current tax charge</i>                    |   |   |
| Current tax on losses for the year           | -   | -   |
| Total current tax                            | -   | -   |
| <i>Adjustments in respect of prior years</i> | -   | (125,959)   |
| <i>Deferred tax:</i>                         |   |   |
| Current year                                 | -   | 8,840   |
| Total deferred tax (Note 11)                 | -   | 8,840   |
| Tax per income statement                     | -   | (117,119)   |

**GVQ Investment Management Limited**

**Notes to the financial statements for the year ended  
31 December 2022 (continued)**

**7. Tax (continued)**

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

|   | For the<br>year ended<br>31 December<br>2022<br>£ | For the<br>year ended<br>31 December<br>2021<br>£ |
|---|---|---|
| Loss before tax   | (1,077,046)                                       | (652,813)   |
| Tax loss calculated at the UK rate of 19.00% (2021: 19.00%) | (204,639)   | (124,034)   |
| Effect of:  |   |   |
| Losses carried back   | -   | 125,959   |
| Adjustments in respect of prior years                       | -   | (125,959)   |
| Expenses not deductible                                     | -   | 1,018   |
| Deferred tax not recognised & rounding                      | -   | 8,840   |
| Remeasurement of deferred tax                               | -   | (2,943)   |
| Losses carried forward                                      | 204,639   | -   |
| Tax credit for the year                                     | -   | (117,119)   |

**8. (a) Property, plant and equipment**

|                                 | Office<br>Equipment<br>£ | Furniture and<br>Fixtures<br>£ | Total<br>£ |
|---------------------------------|--------------------------|--------------------------------|------------|
| <b>Cost</b>                     |                          |                                |            |
| At 1 January 2022               | 22,032                   | 49,808                         | 71,840     |
| Additions                       | -                        | -                              | -          |
| Disposals                       | -                        | -                              | -          |
| At 31 December 2022             | 22,032                   | 49,808                         | 71,840     |
| <b>Accumulated Depreciation</b> |                          |                                |            |
| At 1 January 2022               | 11,280                   | 49,808                         | 61,088     |
| Charge for the year             | 4,032                    | -                              | 4,032      |
| Disposals                       | -                        | -                              | -          |
| At 31 December 2022             | 15,312                   | 49,808                         | 65,120     |
| <b>Net book value</b>           |                          |                                |            |
| At 31 December 2022             | 6,720                    | -                              | 6,720      |
| At 31 December 2021             | 10,752                   | -                              | 10,752     |

**GVQ Investment Management Limited**

**Notes to the financial statements for the year ended  
31 December 2022 (continued)**

**8. (b) Leases**

|                             | Right-of-use asset | Current lease liability |
|-----------------------------|--------------------|-------------------------|
|                             | £                  | £                       |
| Balance at 1 January 2022   | 90,386             | 89,223                  |
| Early termination of lease  | (7,984)            | (7,984)                 |
| New leases                  | 58,447             | 58,447                  |
| Depreciation                | (111,625)          | -                       |
| Interest                    | -                  | 2,613                   |
| Payments                    | -                  | (117,500)               |
| Balance at 31 December 2022 | 29,224             | 24,799                  |

**9. Current assets**

| Trade and other receivables              | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
|  | £                | £                |
| Prepayments and other debtors            | 140,604          | 168,065          |
| Accrued investment management fee income | 301,367          | 420,900          |
| Corporation tax receivable (refer below) | 125,959          | 217,373          |
|  | 567,930          | 806,338          |

| Tax receivable                                 | For the year ended<br>31<br>December<br>2022 | For the year ended<br>31<br>December<br>2021 |
|--|--|--|
|  | £  | £  |
| Balance brought forward                        | 217,373                                      | 91,414                                       |
| Adjustments in respect of prior years (Note 7) | -  | 125,959                                      |
| Corporation tax received (Note 14)             | (91,414)                                     | -  |
| Balance carried forward                        | 125,959                                      | 217,373                                      |

| Cash and Cash Equivalents | 31 December 2022 | 31 December 2021 |
|---------------------------|------------------|------------------|
|                           | £                | £                |
| Cash at Bank              | 936,675          | 1,788,490        |

Cash at bank earns interest at floating rates.

**10. Current liabilities**

| Trade and Other payables     | 31 December<br>2022 | 31 December<br>2021 |
|------------------------------|---------------------|---------------------|
|                              | £                   | £                   |
| Other creditors and accruals | 133,293             | 147,241             |
| Lease liabilities (Note 8)   | 24,799              | 89,223              |
|                              | 158,092             | 236,464             |

**GVQ Investment Management Limited**  
**Notes to the financial statements for the year ended**  
**31 December 2022 (continued)**

**11. Deferred tax asset**

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19%, reflecting the rate expected to be applicable at the time the net deferred tax asset is realised (2021: 19%). The deferred tax asset relates to non trading losses brought forward to be utilised against future non trade interest receivable.

£ Nil (2021: £ Nil) of the deferred tax asset is expected to be recovered or settled no more than 12 months after the reporting period and £ Nil (2021: £ Nil) is expected to be recovered or settled more than 12 months after the reporting period.

The movement on deferred tax account is as shown below:

|                                  | For the year ended 31<br>December 2022 | For the year ended<br>31 December 2021 |
|----------------------------------|--|--|
|                                  | £                                      | £                                      |
| Balance brought forward          | -                                      | 8,840                                  |
| Income statement charge (Note 7) | -                                      | (8,840)                                |
| Balance carried forward          | -                                      | -                                      |

| Deferred tax assets                 | Accelerated capital<br>allowances | Temporary differences &<br>Tax losses | Total |
|-------------------------------------|-----------------------------------|---------------------------------------|-------|
|                                     | £                                 | £                                     | £     |
| Balance at 1 January 2022           | -                                 | -                                     | -     |
| Charge to income statement (Note 7) | -                                 | -                                     | -     |
| Balance at 31 December 2022         | -                                 | -                                     | -     |

**12. Called up Share capital and Share Premium**

|                         | Ordinary Shares | Ordinary Shares | Share Premium |
|-------------------------|-----------------|-----------------|---------------|
|                         |                 | £               | £             |
| At 1 January 2022       | 80,000,001      | 799,999         | 672,800       |
| Issue of shares in 2022 | -               | -               | -             |
| At 31 December 2022     | 80,000,001      | 799,999         | 672,800       |
| At 1 January 2021       | 80,000,001      | 799,999         | 672,800       |
| Issue of shares in 2021 | -               | -               | -             |
| At 31 December 2021     | 80,000,001      | 799,999         | 672,800       |

The par value of ordinary shares is £0.01.

**GVQ Investment Management Limited**

**Notes to the financial statements for the year ended  
31 December 2022 (continued)**

**13. Profit and loss reserve**

|                         | 31 December<br>2022<br>£ | 31 December<br>2021<br>£ |
|-------------------------|--------------------------|--------------------------|
| Balance brought forward | 486,703                  | 1,022,397                |
| Dividend Paid (Note 15) | -                        | -                        |
| Loss for the year       | (1,077,046)              | (535,694)                |
| Balance carried forward | (590,343)                | 486,703                  |

**14. Reconciliation of loss before tax to net cash outflow from operating activities**

|  | Year<br>ended<br>31 December<br>2022<br>£ | Year<br>ended<br>31 December<br>2021<br>£ |
|--|---|---|
| Loss before tax  | (1,077,046)                               | (652,813)                                 |
| Adjustments for:   |   |   |
| Exchange loss  | 10,072                                    | 7,031                                     |
| Depreciation   | 115,657                                   | 156,292                                   |
| Finance costs  | 2,613                                     | 11,266                                    |
| Operating cash flows before movements in working capital | (948,704)                                 | (478,224)                                 |
| Decrease / (Increase) in receivables                     | 146,994                                   | (83,074)                                  |
| (Decrease) in payables                                   | (13,947)                                  | (14,802)                                  |
| Cash used in operations                                  | (813,657)                                 | (576,100)                                 |
| Taxes received   | 91,414                                    | -   |
| Net cash used in operating activities                    | (724,243)                                 | (576,100)                                 |

**15. Related party transactions**

Jamie Seaton is 50% controller of GVQIM Holdings Limited and Jonathan Morgan is a 50% controller of GVQIM Holdings Limited. GVQIM Holdings Limited is the parent company of GVQ Investment Management Limited.



## GVQ Investment Management Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 16. Risk and Capital Management Policies

##### Client risk

The main risk faced by the Company is the potential loss of investment management fee contracts. In certain circumstances, investors may be able to terminate these contracts. This could arise because of poor investment advice, significant errors, negligence, fraud or other matters. These risks are mitigated by implementing a rigorous investment process for approving investment decisions. The potential for significant errors is also reduced by using well established third party administrators to deal with the day-to-day operations of the Firm.

##### Financial assets and liabilities of the Company

The financial assets of the Company are as follows:

|   | Floating Rate<br>2022<br>£ | Fixed Rate<br>2022<br>£ | Non interest<br>Bearing<br>2022<br>£ | Total<br>2022<br>£ |
|---|----------------------------|-------------------------|--------------------------------------|--------------------|
| Currency denomination of assets as at 31 December 2022: |                            |                         |                                      |                    |
| Sterling  | 936,675                    | -                       | 317,288                              | 1,253,963          |

|   | Floating Rate<br>2021<br>£ | Fixed Rate<br>2021<br>£ | Non interest<br>Bearing<br>2021<br>£ | Total<br>2021<br>£ |
|---|----------------------------|-------------------------|--------------------------------------|--------------------|
| Currency denomination of assets as at 31 December 2021: |                            |                         |                                      |                    |
| Sterling  | 1,788,490                  | -                       | 463,763                              | 2,252,253          |

The financial liabilities of the Company are as follows:

|  | Floating<br>Rate<br>2022<br>£ | Fixed<br>Rate<br>2022<br>£ | Non Interest<br>Bearing<br>2022<br>£ | Total<br>2022<br>£ |
|--|-------------------------------|----------------------------|--------------------------------------|--------------------|
| Currency denomination of liabilities as at 31 December 2022: |                               |                            |                                      |                    |
| Sterling   | -                             | -                          | 109,053                              | 109,053            |

|  | Floating<br>Rate<br>2021<br>£ | Fixed<br>Rate<br>2021<br>£ | Non Interest<br>Bearing<br>2021<br>£ | Total<br>2021<br>£ |
|--|-------------------------------|----------------------------|--------------------------------------|--------------------|
| Currency denomination of liabilities as at 31 December 2021: |                               |                            |                                      |                    |
| Sterling   | -                             | -                          | 167,499                              | 167,499            |

## GVQ Investment Management Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 16. Risk and Capital Management Policies (continued)

##### Maturity analysis

##### Financial assets (maturity)

The analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier the expected date the assets will be realised.

##### Financial liabilities (maturity)

The analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Company can be required to pay.

2022:

|  | <1 month        | 1-3 months      | 3-12 months     | 1-5 years | >5 years | Total            |
|--|-----------------|-----------------|-----------------|-----------|----------|------------------|
|  | £               | £               | £               | £         | £        | £                |
| <b>Financial assets</b>                  |                 |                 |                 |           |          |                  |
| Cash and cash equivalents                | 936,675         | -               | -               | -         | -        | 936,675          |
| Prepayments and other debtors            | 921             | -               | 15,000          | -         | -        | 15,921           |
| Accrued investment management fee income | -               | 301,367         | -               | -         | -        | 301,367          |
|  | <b>937,596</b>  | <b>301,367</b>  | <b>15,000</b>   | <b>-</b>  | <b>-</b> | <b>1,253,963</b> |
| <b>Financial liabilities</b>             |                 |                 |                 |           |          |                  |
| Other creditors and accruals             | (89,053)        | (10,000)        | (10,000)        | -         | -        | (109,053)        |
|  | <b>(89,053)</b> | <b>(10,000)</b> | <b>(10,000)</b> | <b>-</b>  | <b>-</b> | <b>(109,053)</b> |
| <b>Available liquidity</b>               | <b>848,543</b>  | <b>291,367</b>  | <b>5,000</b>    | <b>-</b>  | <b>-</b> | <b>1,144,910</b> |

2021:

|  | <1 month         | 1-3 months      | 3-12 months     | 1-5 years | >5 years | Total            |
|--|------------------|-----------------|-----------------|-----------|----------|------------------|
|  | £                | £               | £               | £         | £        | £                |
| <b>Financial assets</b>                  |                  |                 |                 |           |          |                  |
| Cash and cash equivalents                | 1,788,490        | -               | -               | -         | -        | 1,788,490        |
| Prepayments and other debtors            | -                | -               | 42,863          | -         | -        | 42,863           |
| Accrued investment management fee income | -                | 420,900         | -               | -         | -        | 420,900          |
|  | <b>1,788,490</b> | <b>420,900</b>  | <b>42,862</b>   | <b>-</b>  | <b>-</b> | <b>2,252,253</b> |
| <b>Financial liabilities</b>             |                  |                 |                 |           |          |                  |
| Other creditors and accruals             | (91,832)         | (43,341)        | (32,326)        | -         | -        | (167,499)        |
|  | <b>(91,832)</b>  | <b>(43,341)</b> | <b>(32,326)</b> | <b>-</b>  | <b>-</b> | <b>(167,499)</b> |
| <b>Available liquidity</b>               | <b>1,696,658</b> | <b>377,559</b>  | <b>10,537</b>   | <b>-</b>  | <b>-</b> | <b>2,084,754</b> |

## **GVQ Investment Management Limited**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **16. Risk and Capital Management Policies (continued)**

##### **Interest rate risk**

Bank deposits are subject to interest rate risk. At 31 December 2022, the Company held cash of £0.94 million (2021: £1.79million) earning interest at market rates.

If the interest rates on cash deposits had been 200 basis points higher during the year, the loss for the year would have decreased by £27,252 (2021: loss for the year would have decreased by £43,372). If the interest rates on cash deposits had been 200 basis points lower, the loss for the year would have increased by £ Nil (2021: loss for the year would have increased by £ Nil).

##### **Credit risk**

Accrued investment management fees amounting to £301,367 (2021: £420,900) and other receivables amounting to £266,563 (2021: £385,438) were exposed to credit risk as at 31 December 2022, although the Directors consider such risk to be negligible.

##### **Currency risk**

The Company has some suppliers who invoice in USD and EUR but the Directors consider currency risk to be negligible.

##### **Market price risk**

The Company is exposed to market price risk as management fee income is calculated as a percentage of net asset value of the managed funds.

If market prices had been 10% higher, the loss for the year would have decreased by £137,445 (2021: the loss for the year would have decreased by £163,199). If market prices had been 10% lower, the loss for the year would have increased by £137,445 (2021: the loss for the year would have increased by £163,199).

##### **Regulatory risk**

As an entity regulated by the Financial Conduct Authority ("FCA"), the Company is subject to various regulatory requirements. A risk exists that the Company could fail to satisfy the obligations under the FCA regime. A breach of the Company's regulatory requirements could have adverse financial consequences and could be damaging in terms of the Company's reputation. The Company employs a Compliance Officer in order to mitigate this risk.

##### **Capital Management**

The Company's primary objective in relation to management of capital is to ensure its ability to continue as a going concern. In addition, the Company is subject to capital requirements imposed by the FCA and must ensure that there is adequate capital to meet the requirements as set out by the FCA. The Company was in compliance with those capital requirements throughout the year.

## **GVQ Investment Management Limited**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

The Company's capital as at 31 December 2022 and 31 December 2021 were as follows:

| £                                    | 2022      | 2021      |
|--------------------------------------|-----------|-----------|
| Equity Share Capital                 | 799,999   | 799,999   |
| Retained Earnings and other reserves | 582,456   | 1,659,503 |
| Total Capital                        | 1,382,455 | 2,459,502 |

#### **17. Commitments under operating leases**

The Company has recognised a right-of-use asset in relation to certain leases, refer Note 8(b) for further information. At 31 December 2022 the Company had future minimum lease payments under non-cancellable operating leases that are not recognised as a liability, ending as follows:

| £  | 2022 | 2021  |
|--|------|-------|
| Not later than 1 year                        | 390  | 3,159 |
| Later than 1 year end not later than 5 years | -    | 390   |
| Total commitments                            | 390  | 3,549 |

#### **18. Ultimate parent undertaking**

The Company is a wholly owned subsidiary of GVQIM Holdings Limited. The ultimate controlling party is Jamie Seaton and Jonathan Morgan.