

Registered number: 05471230

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

THURSDAY



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COMPANIES HOUSE

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

COMPANY INFORMATION

| | |
|----------------------------|---------------------------------------------------------|
| Directors | P Fietje E Goodfellow S Mason A Webster |
| Company secretary | A Webster |
| Registered number | 05471230 |
| Registered office | 13th Floor 88 Wood Street London EC2V 7DA |
| Independent auditor | Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The principal activity of Tavira Financial Limited ("the Company") during the year was that of an agency broker specialising in global execution services for both equities and derivatives. The Company is authorised and regulated by the Financial Conduct Authority.

Business review

In September 2022, Tavira Securities Ltd changed its name to Tavira Financial Ltd. This was to more accurately reflect the broad range of products and services on offer within the Tavira Group, and enhance our brand within an already competitive marketplace. Such rebranding proved successful, resulting in a 22% increase in gross revenue year on year.

This increase can be attributed to growth in Fixed Income (+264%), Custody & Clearing (+106%), and Corporate Broking (+477%). Even though results have benefitted from reporting 12 months of Corporate Broking revenues, compared to 3 months in the prior year, the embedding of the team has coincided with numerous capital raises on behalf of established clients.

We have seen a reduction in some product lines within traditional brokerage revenues, but overall brokerage remains a stable source of income for the Group.

Unfortunately, our asset management business has suffered due to the savings and investment landscape. Improved interest rates have lured investors to other more attractive opportunities, in the short term at least, but thankfully this phenomenon is not isolated to Tavira.

On a more positive note, in November 2002 we launched the Perspective American Absolute Alpha UCITS Fund, led by Stephen Moore, formerly of Artemis and Threadneedle. Initial subscriptions and performance have been encouraging, to such an extent that in July 2023 we shall be opening his second fund, Perspective American Extended Alpha UCITS Fund.

Even though costs have increased in line with revenues, the overall review of the financial year is positive. Our Sydney based Australian branch continues to grow, both in revenue and broker headcount; whilst the London office has expanded the brokerage and Corporate Broking services and client base through further recruitment. The directors are therefore encouraged by the growth and progress the company has demonstrated, and continues to demonstrate. Further international opportunities have been identified as part of our progressive strategy, as we look forward to a successful 2023/24.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to the following risks:

Market risk - risk there is a downturn in investment globally due to changes in macroeconomic conditions. The Company has tried to mitigate this risk by diversifying the product offering further.

Concentration risk - reliance on too few clients could result in a major impact on revenues. The Company has combated this with the addition of new brokers and new clients, thus reducing the potential risk.

Credit risk - the Group is mainly exposed to credit risk from onboarding new clients. It is Group policy to assess the credit risk of new customers and to factor the information from these reviews into future dealings with customers.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

CRD IV Disclosures

The Company is subject to the Country by Country Reporting obligation under Article 89 of the Capital Requirements Directive IV. The information required to be disclosed for the Company's Ongoing Reporting Obligations for the year ending 31 March 2023 is published within these financial statements.

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



A Webster
Director

Date: 27 July 2023

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £141,237 (2022 - profit £433,428).

No dividends were paid during the year (2022: £nil).

Directors

The directors who served during the year were:

P Fietje
E Goodfellow
S Mason
A Webster

Pillar 3 disclosure

The disclosures required under the Banking Consolidation Directive known as Pillar 3 disclosures, can be obtained from the Company's website <http://www.tavirasecurities.com>.

Disclosure of information to auditor**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



A Webster
Director

Date: 27 July 2023

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

Opinion

We have audited the financial statements of Tavira Financial Limited (formerly Tavira Securities Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company 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 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's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or 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 respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED) (CONTINUED)

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

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 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 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 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.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED) (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group 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 obtained an understanding of the legal and regulatory frameworks within which the company operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and UK Corporate Tax Legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, inappropriate revenue recognition and valuation of investments. Our audit procedures to respond to these risks included enquiries of management about their identification and assessment of the risk of irregularities, sample testing on the appropriate journals, reviewing accounting estimates for biases, corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the United Kingdom Generally Accepted Accounting Practice and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 Auditor's report.

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| TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED) |
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAVIRA FINANCIAL LIMITED (FORMERLY
TAVIRA SECURITIES LIMITED) (CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



John Glasby (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

27 July 2023

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

| | Note | 2023 £ | 2022 £ |
|-----------------------------------------------------------------|------|-------------------|------------------|
| Turnover | 4 | 29,441,907 | 24,047,856 |
| Cost of sales | | (14,799,309) | (14,371,328) |
| Gross profit | | 14,642,598 | 9,676,528 |
| Administrative expenses | | (14,715,937) | (9,410,521) |
| Investment fair value adjustments | | (280,491) | (44,767) |
| Other operating income | 5 | 296,695 | 301,722 |
| Operating (loss)/profit | 6 | (57,135) | 522,962 |
| Interest receivable and similar income | 10 | 514 | - |
| Interest payable and similar expenses | 11 | (553) | (66,547) |
| (Loss)/profit before taxation | | (57,174) | 456,415 |
| Tax on (loss)/profit | 12 | (69,136) | (33,214) |
| (Loss)/profit for the financial year | | (126,310) | 423,201 |
| Currency translation differences | | 55,256 | 20 |
| Other comprehensive income for the year | | 55,256 | 20 |
| Total comprehensive income for the year | | (71,054) | 423,221 |
| (Loss)/profit for the year attributable to: | | | |
| Non-controlling interests | | 14,927 | (10,227) |
| Owners of the parent Company | | (141,237) | 433,428 |
| | | (126,310) | 423,201 |
| Total comprehensive income for the year attributable to: | | | |
| Non-controlling interest | | 14,927 | (10,227) |
| Owners of the parent Company | | (85,981) | 433,448 |
| | | (71,054) | 423,221 |

The notes on pages 16 to 37 form part of these financial statements.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)
REGISTERED NUMBER: 05471230

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|------------------------------------------------------------|------|-------------------|-------------------|
| Fixed assets | | | |
| Intangible assets | 14 | 166,206 | 267,749 |
| Tangible assets | 15 | 100,277 | 115,738 |
| Investments | 16 | 3,060,906 | - |
| | | <u>3,327,389</u> | <u>383,487</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 17 | 6,568,837 | 5,385,231 |
| Current asset investments | 18 | - | 487,484 |
| Cash at bank and in hand | 19 | 4,257,825 | 4,630,813 |
| | | <u>10,826,662</u> | <u>10,503,528</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 20 | (8,189,198) | (4,850,900) |
| | | <u>2,637,464</u> | <u>5,652,628</u> |
| Net current assets | | | |
| | | <u>5,964,853</u> | <u>6,036,115</u> |
| Total assets less current liabilities | | | |
| Provisions for liabilities | | | |
| Deferred taxation | 22 | (11,352) | (11,352) |
| | | <u>5,953,501</u> | <u>6,024,763</u> |
| Net assets | | | |
| Capital and reserves | | | |
| Called up share capital | 23 | 1,300,101 | 1,300,101 |
| Share premium account | 24 | 771,799 | 771,799 |
| Foreign exchange reserve | 24 | 60,729 | 5,473 |
| Profit and loss account | 24 | 3,662,921 | 3,804,158 |
| Equity attributable to owners of the parent Company | | <u>5,795,550</u> | <u>5,881,531</u> |
| Non-controlling interests | | 157,951 | 143,232 |
| | | <u>5,953,501</u> | <u>6,024,763</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2023.

A Webster
Director



The notes on pages 16 to 37 form part of these financial statements.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)
REGISTERED NUMBER: 05471230

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|------------------------------------------------|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | | 166,206 | 267,749 |
| Tangible assets | 15 | 78,792 | 95,019 |
| Investments | 16 | 3,402,925 | 342,019 |
| | | <u>3,647,923</u> | <u>704,787</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 17 | 5,807,068 | 4,430,747 |
| Current asset investments | | - | 487,484 |
| Cash at bank and in hand | 19 | 3,154,942 | 3,915,127 |
| | | <u>8,962,010</u> | <u>8,833,358</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 20 | (7,913,134) | (4,575,661) |
| Net current assets | | <u>1,048,876</u> | <u>4,257,697</u> |
| Total assets less current liabilities | | <u>4,696,799</u> | <u>4,962,484</u> |
| Provisions for liabilities | | | |
| Deferred taxation | 22 | (11,352) | (11,352) |
| Net assets | | <u><u>4,685,447</u></u> | <u><u>4,951,132</u></u> |
| Capital and reserves | | | |
| Called up share capital | 23 | 1,300,101 | 1,300,101 |
| Share premium account | 24 | 771,799 | 771,799 |
| Profit and loss account brought forward | | 2,879,232 | 2,355,810 |
| Loss/(profit) for the year | | (265,685) | 523,422 |
| Profit and loss account carried forward | | <u>2,613,547</u> | <u>2,879,232</u> |
| | | <u><u>4,685,447</u></u> | <u><u>4,951,132</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2023.

A Webster 
Director

The notes on pages 16 to 37 form part of these financial statements.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

| | Called up share capital £ | Share premium account £ | Foreign exchange reserve £ | Profit and loss account £ | Equity attributable to owners of parent Company £ | Non- controlling interests £ | Total equity £ |
|------------------------------------------|---------------------------------|----------------------------------|-------------------------------------|---------------------------------|------------------------------------------------------------------|---------------------------------------|-------------------|
| At 1 April 2021 | 1,300,101 | 771,799 | 5,453 | 3,370,730 | 5,448,083 | 153,479 | 5,601,562 |
| Comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | 433,428 | 433,428 | (10,247) | 423,181 |
| Currency translation differences | - | - | 20 | - | 20 | - | 20 |
| At 1 April 2022 (as restated) | 1,300,101 | 771,799 | 5,473 | 3,804,158 | 5,881,531 | 143,232 | 6,024,763 |
| Comprehensive income for the year | | | | | | | |
| Loss for the year | - | - | - | (141,237) | (141,237) | 14,719 | (126,518) |
| Currency translation differences | - | - | 55,256 | - | 55,256 | - | 55,256 |
| At 31 March 2023 | 1,300,101 | 771,799 | 60,729 | 3,662,921 | 5,795,550 | 157,951 | 5,953,501 |

The notes on pages 16 to 37 form part of these financial statements.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

| | Called up share capital £ | Share premium account £ | Profit and loss account £ | Total equity £ |
|------------------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------|
| At 1 April 2021 | 1,300,101 | 771,799 | 2,355,810 | 4,427,710 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 523,422 | 523,422 |
| At 1 April 2022 | 1,300,101 | 771,799 | 2,879,232 | 4,951,132 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (265,685) | (265,685) |
| At 31 March 2023 | 1,300,101 | 771,799 | 2,613,547 | 4,685,447 |

The notes on pages 16 to 37 form part of these financial statements.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

| | 2023 £ | 2022 £ |
|---------------------------------------------------------------|--------------------|------------------|
| Cash flows from operating activities | | |
| (Loss)/profit for the financial year | (126,310) | 423,201 |
| Adjustments for: | | |
| Depreciation of tangible assets | 79,573 | 89,860 |
| Interest paid | 553 | 66,547 |
| Interest received | (514) | - |
| Taxation charge | 69,136 | 33,214 |
| (Increase) in debtors | (1,047,873) | (1,187,536) |
| (Increase) in amounts owed by groups | (5,987) | (457,945) |
| Increase in creditors | 3,295,405 | 3,657,042 |
| Corporation tax received/(paid) | 106,052 | (45,980) |
| Revaluation of Crypto Currency | 101,543 | 32,251 |
| Revaluation movement | 280,491 | 12,516 |
| Net cash generated from operating activities | 2,752,069 | 2,623,170 |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | - | (300,000) |
| Purchase of tangible fixed assets | (64,112) | (64,869) |
| Purchase of listed investments | (3,060,906) | - |
| Purchase of short-term listed investments | - | (500,000) |
| Interest received | 514 | - |
| Net cash from investing activities | (3,124,504) | (864,869) |
| Cash flows from financing activities | | |
| Interest paid | (553) | (66,547) |
| Net cash used in financing activities | (553) | (66,547) |
| Net (decrease)/increase in cash and cash equivalents | (372,988) | 1,691,754 |
| Cash and cash equivalents at beginning of year | 4,630,813 | 2,939,059 |
| Cash and cash equivalents at the end of year | 4,257,825 | 4,630,813 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 4,257,825 | 4,630,813 |

The notes on pages 16 to 37 form part of these financial statements.

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

| | At 1 April 2022 £ | Cash flows £ | At 31 March 2023 £ |
|--------------------------|-------------------------|------------------|--------------------------|
| Cash at bank and in hand | 4,630,813 | (372,988) | 4,257,825 |
| Debt due within 1 year | (5,693) | (2,343) | (8,036) |
| Liquid investments | 487,484 | (487,484) | - |
| | <u>5,112,604</u> | <u>(862,815)</u> | <u>4,249,789</u> |

The notes on pages 16 to 37 form part of these financial statements.

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| TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED) |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Tavira Financial Limited (the 'Company') is a private company, limited by shares, registered in the United Kingdom in England and Wales with Companies House registration number 05471230. The Company is authorised and regulated by the Financial Conduct Authority ('FCA') and the Company's registered address is 13th Floor, 88 Wood Street, London, EC2V 7DA.

The principal activities of the Company and its subsidiary ('the Group') and the nature of the Group's operations are set out in the Strategic Report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ('the Group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

At the start of the financial year, stress testing forecasts showed the Tavira Group finances to be strong and resources sufficient. The directors' belief that such statements hold true for future periods was upheld, with actual performance during 2022/23 resulting in the Group ending the financial year in a strong position as forecast.

Similar forecasts for 2023/24 and beyond continue to support the directors' view the company is in a position to maximise its potential due to a consistently healthy Tier 1 Capital base and expanding product offering.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover shown in the statement of comprehensive income represents agency broker commissions earned on the execution of trades during the year and fund manager income.

2.6 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

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

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|------------------|---|-------------------|
| Office equipment | - | 33% straight line |
|------------------|---|-------------------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

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

2.20 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.21 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation of tangible fixed assets

The Group establishes a reliable estimate of the useful life of tangible assets. This estimate is based on the expected useful life of similar assets and, given the non-complex nature of the assets owned, the estimated useful life is relatively simple to calculate.

Bad debt provision

A full line by line review of trade debtors is carried out at regular intervals. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

Investment value (parent company only)

A review of the investment value is carried out at regular intervals in conjunction with reviewing performance of the subsidiary company. Determining whether there are any indicators of impairment is an area of judgement.

4. Turnover

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

| | 2023 £ | 2022 £ |
|--------------------------------------------|-------------------|-------------------|
| Broker commissions and fund manager income | <u>29,441,907</u> | <u>24,047,856</u> |

Analysis of turnover by country of destination:

| | 2023 £ | 2022 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 26,483,120 | 21,350,263 |
| Rest of Europe | 2,958,787 | 2,697,593 |
| | <u>29,441,907</u> | <u>24,047,856</u> |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Other operating income

| | 2023 £ | 2022 £ |
|------------------------|-----------|-----------|
| Other operating income | 296,695 | 301,722 |

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

| | 2023 £ | 2022 £ |
|-------------------------------|-----------|-----------|
| Exchange differences | (3,401) | (60,715) |
| Other operating lease rentals | 301,304 | 218,824 |

7. Auditor's remuneration

| | 2023 £ | 2022 £ |
|-----------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | 56,250 | 45,000 |

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

| | | |
|---------------------------------------------------------------------|--------|--------|
| Assurance services other than the audit of the financial statements | 11,000 | 10,000 |
| Tax compliance and advisory services | 12,240 | 12,500 |
| | 23,240 | 22,500 |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Employees

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

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries | 9,879,109 | 5,653,537 | 8,581,094 | 4,318,614 |
| Social security costs | 208,064 | 205,827 | 147,894 | 123,429 |
| Cost of defined contribution scheme | 43,461 | 35,536 | 43,461 | 35,536 |
| | 10,130,634 | 5,894,900 | 8,772,449 | 4,477,579 |

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

| | Group 2023 No. | Group 2022 No. | Company 2023 No. | Company 2022 No. |
|----------------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Administrative staff | 37 | 24 | 33 | 19 |

9. Directors' remuneration

| | 2023 £ | 2022 £ |
|-----------------------|-------------------|-------------------|
| Directors' emoluments | 522,869 | 442,396 |

10. Interest receivable

| | 2023 £ | 2022 £ |
|---------------------------|-------------------|-------------------|
| Other interest receivable | 514 | - |

11. Interest payable and similar expenses

| | 2023 £ | 2022 £ |
|-----------------------|-------------------|-------------------|
| Bank interest payable | 553 | 66,547 |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation

| | 2023 £ | 2022 £ |
|--------------------------------------------------|---------------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | 69,136 | 33,214 |
| Total current tax | <u>69,136</u> | <u>33,214</u> |
| Deferred tax | | |
| Total deferred tax | <u>-</u> | <u>-</u> |
| Taxation on profit on ordinary activities | <u>69,136</u> | <u>33,214</u> |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *lower than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

| | 2023 £ | 2022 £ |
|-------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
| (Loss)/profit on ordinary activities before tax | <u>(57,174)</u> | <u>468,931</u> |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%) | <u>(10,863)</u> | <u>89,097</u> |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | 5,761 |
| Utilisation of tax losses | - | 51,815 |
| Foreign Permanent Establishment exemption | 10,863 | (146,673) |
| Overseas tax | 69,136 | 33,214 |
| Total tax charge for the year | <u>69,136</u> | <u>33,214</u> |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation (continued)**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £265,685 (2022 - profit of £523,422).

14. Intangible assets**Group**

| | Digital Assets £ |
|-----------------------|------------------------|
| Cost | |
| At 1 April 2022 | 300,000 |
| At 31 March 2023 | 300,000 |
| Amortisation | |
| At 1 April 2022 | 32,251 |
| Impairment charge | 101,543 |
| At 31 March 2023 | 133,794 |
| Net book value | |
| At 31 March 2023 | 166,206 |
| At 31 March 2022 | 267,749 |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Intangible assets (continued)

Company

| | Digital Assets £ |
|-----------------------|---------------------------------|
| Cost | |
| At 1 April 2022 | 300,000 |
| At 31 March 2023 | <u>300,000</u> |
| Amortisation | |
| At 1 April 2022 | 32,251 |
| Impairment charge | 101,543 |
| At 31 March 2023 | <u>133,794</u> |
| Net book value | |
| At 31 March 2023 | <u><u>166,206</u></u> |
| At 31 March 2022 | <u><u>267,749</u></u> |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets

Group

| | Office equipment £ |
|-------------------------------------|--------------------------|
| Cost or valuation | |
| At 1 April 2022 | 1,112,882 |
| Additions | 64,112 |
| At 31 March 2023 | <u>1,176,994</u> |
| Depreciation | |
| At 1 April 2022 | 997,144 |
| Charge for the year on owned assets | 79,573 |
| At 31 March 2023 | <u>1,076,717</u> |
| Net book value | |
| At 31 March 2023 | <u><u>100,277</u></u> |
| At 31 March 2022 | <u><u>115,738</u></u> |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets (continued)

Company

| | Office equipment £ |
|-------------------------------------|-----------------------------------|
| Cost or valuation | |
| At 1 April 2022 | 827,703 |
| Additions | 44,139 |
| At 31 March 2023 | 871,842 |
| Depreciation | |
| At 1 April 2022 | 732,684 |
| Charge for the year on owned assets | 60,366 |
| At 31 March 2023 | 793,050 |
| Net book value | |
| At 31 March 2023 | 78,792 |
| At 31 March 2022 | 95,019 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Fixed asset investments

Company

| | Investments in subsidiary companies £ | Listed investments £ | Total £ |
|--------------------------|---------------------------------------------------|----------------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2022 | 342,019 | - | 342,019 |
| Additions | - | 3,060,906 | 3,060,906 |
| At 31 March 2023 | <u>342,019</u> | <u>3,060,906</u> | <u>3,402,925</u> |

During the year the Company disposed of its entire subsidiary investment in Tavira UK Limited.

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

| Name | Registered office | Class of shares | Holding |
|----------------------|------------------------------------------------------------|--------------------|---------|
| Tavira Monaco S.A.M. | Le Montaigne, 6 Boulevard Des Moulins, 98000, Monaco | Ordinary | 89.6% |

The aggregate of the share capital and reserves as at 31 March 2023 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

| Name | Share Capital | Profit/(Loss) Reserve |
|----------------------|---------------|--------------------------|
| Tavira Monaco S.A.M. | 342,018 | 1,214,164 |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Debtors

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 4,480,713 | 2,564,493 | 4,026,865 | 1,909,734 |
| Amounts owed by group undertakings | 1,615,231 | 1,609,244 | 1,339,129 | 1,411,712 |
| Other debtors | 263,159 | 1,013,624 | 261,972 | 942,070 |
| Prepayments and accrued income | 209,734 | 197,870 | 179,102 | 167,231 |
| | 6,568,837 | 5,385,231 | 5,807,068 | 4,430,747 |

18. Current asset investments

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Listed investments | - | 487,484 | - | 487,484 |

19. Cash and cash equivalents

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash at bank and in hand | 4,257,825 | 4,630,813 | 3,154,942 | 3,915,127 |

20. Creditors: Amounts falling due within one year

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 242,406 | 247,071 | 242,406 | 247,071 |
| Amounts owed to group undertakings | - | - | 16,875 | 3,497 |
| Other taxation and social security | 195,859 | 69,633 | 188,533 | 63,246 |
| Other creditors | 50,928 | 118,935 | 8,036 | 118,935 |
| Accruals and deferred income | 7,700,005 | 4,415,261 | 7,457,284 | 4,142,912 |
| | 8,189,198 | 4,850,900 | 7,913,134 | 4,575,661 |

The bank overdraft is secured by way of a £100,000 limited guarantee given by Mr E Goodfellow, a director of Tavira Monaco S.A.M, a subsidiary company of Tavira Financial Limited. Mr E Goodfellow was made a director of Tavira Financial Limited on 7 May 2020.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Financial instruments

| | Group 2023 £ | <i>Group 2022 £</i> | Company 2023 £ | <i>Company 2022 £</i> |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | 4,257,825 | 4,630,913 | 3,154,942 | 3,915,127 |
| Financial assets that are debt instruments measured at amortised cost | 6,316,183 | 5,554,478 | 5,585,046 | 4,645,626 |
| | <u>10,574,008</u> | <u>10,185,391</u> | <u>8,739,988</u> | <u>8,560,753</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | <u>(8,189,198)</u> | <u>(4,850,901)</u> | <u>(7,913,134)</u> | <u>(4,575,662)</u> |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Financial instruments (continued)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade and intercompany debtors, bank deposits and other standard short term assets.

Financial Liabilities measured at amortised cost comprise trade and intercompany payables and other standard short term liabilities.

The Group's policy is that it does not trade in financial instruments on its own account.

The main risks arising from the Group's activities are market risk and credit risk. These are monitored by the Board of Directors and were not considered to be significant at the balance sheet date.

The market risk to Tavira is the risk of a downturn in investment globally due to changes in macro economic conditions. The Company have monitored and combated this risk by diversifying the product offering further, thus reducing reliance on a single product which may be affected by such economic changes.

The Group is mainly exposed to credit risk from onboarding new clients. It is Company policy to assess the credit risk of new customers and to factor the information from these reviews into future dealings with customers.

At the balance sheet date there were no significant concentrations of credit risk. The credit risk of liquid funds is limited because the third parties are banks with high credit ratings assigned by international credit rating agencies.

In addition, the Board has considered interest and liquidity risk. Both of these are considered insignificant by the Board.

Tavira has very limited borrowings, thus its exposure to interest rate moves is immaterial.

As an MIFIDPRU investment firm, the firm is subject to regulatory capital and reporting requirements set out in the MIFIDPRU rules of the Financial Conduct Authority, the Capital Requirements Directive and the Capital Requirements Regulation.

The Company deems there is sufficient capital and liquidity for the foreseeable future.

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. Deferred taxation

Group

| | 2023 £ |
|----------------------|-------------------|
| At beginning of year | (11,352) |
| At end of year | <u>(11,352)</u> |

Company

| | 2023 £ |
|----------------------|-------------------|
| At beginning of year | (11,352) |
| At end of year | <u>(11,352)</u> |

The provision for deferred taxation is made up as follows:

| | Group 2023 £ | <i>Group 2022 £</i> | Company 2023 £ | <i>Company 2022 £</i> |
|--------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Accelerated capital allowances | (11,352) | (11,352) | (11,352) | (11,352) |
| | <u>(11,352)</u> | <u>(11,352)</u> | <u>(11,352)</u> | <u>(11,352)</u> |

23. Share capital

| | 2023 £ | 2022 £ |
|------------------------------------------------------------|-------------------------|-------------------|
| Allotted, called up and fully paid | | |
| 1,300,100 (2022 - 1,300,100) Ordinary shares of £1.00 each | 1,300,100 | 1,300,100 |
| 1 (2022 - 1) B share of £1.00 | 1 | 1 |
| | <u>1,300,101</u> | <u>1,300,101</u> |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. Reserves**Share premium account**

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Foreign exchange reserve

This reserve comprises differences arising from the translation of financial statements of the Group's foreign entities into Pound Sterling.

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £43,461 (2022 - £35,536). Contributions totalling £8,036 (2022 - £5,693) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2023 £ | <i>Group 2022 £</i> | Company 2023 £ | <i>Company 2022 £</i> |
|----------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Not later than 1 year | 283,715 | <i>217,708</i> | 217,585 | <i>138,787</i> |
| Later than 1 year and not later than 5 years | 208,000 | <i>163,548</i> | 208,000 | <i>104,357</i> |
| | 491,715 | <i>381,256</i> | 425,585 | <i>243,144</i> |

TAVIRA FINANCIAL LIMITED (FORMERLY TAVIRA SECURITIES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

27. Related party transactions

Included within Cost of sales is £4,450,000 (2022: £2,200,000) of introducing broker fees paid to Tavira Holdings Limited. At the year end Tavira Financial Limited owed £4,000,000 (2022: £2,200,000) to Tavira Holdings Limited

Included within Cost of sales is £290,464 (2022 - £413,372) of introducing broker fees paid to Tavira Holdings Limited from Tavira Monanco S.A.M. At the year end Tavira Monaco S.A.M owed £15,219 (2022: £85,299) to Tavira Holdings Limited.

At the year end Tavira Financial Limited was owed £1,323,023 (2022: £1,359,093) and Tavira Monaco SAM was owed £259,341 (2022: £250,151) by Tavira Holdings Limited.

At the year end Tavira Financial Limited owed £Nil (2022: £3,497) to Tavira Monaco SAM and Tavira Monaco SAM owed £16,106 (2022: £52,619) to Tavira Financial Limited.

28. Controlling party

The ultimate parent company is Tavira Holdings Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party is E Goodfellow, a director of Tavira Financial Limited.

29. MIFIDPRU & country by country reporting

As an investment firm within the scope of the CRD IV, the Company must report certain information on its business on a country by country basis, known as Country-by-Country Reporting (CBCR). Article 89 of the Capital Requirements Directive imposes the ongoing CBCR reporting obligations on institutions in the United Kingdom within the scope of CRD IV.

The firm has published its annual reporting obligation for the year ended 31 March 2023 in these financial statements as follows:

| | |
|---------------------------------------------------------------------------------------------------|-----------------------------------|
| i. Names of the company, subsidiaries or branches, nature of activities and geographical location | Notes 1, 15 |
| ii. Turnover | Statement of Comprehensive Income |
| iii. Number of employees on a full time equivalent basis | Note 8 |
| iv. Profit or loss before tax | Statement of Comprehensive Income |
| v. Tax on profit or loss | Note 11 |
| vi. Public subsidies received | £nil |

MIFIDPRU 9 disclosures

The Company is required to disclose its return on assets; calculated as net profit divided by total balance sheet:

| | 2023 | 2022 |
|-------------------------------|-----------|-----------|
| i. Profit/(loss) for the year | (265,685) | 523,422 |
| ii. Net assets | 4,685,447 | 4,951,132 |
| iii. Return on assets | 5% | 11% |