Smith & Williamson

Registered number: 05471230

TAVIRA SECURITIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Smith & Williamson

TAVIRA SECURITIES LIMITED

CONTENTS

COMPANY INFORMATION

Directors	P Fietje A Webster E Goodfellow (appointed 7 May 2020) S Mason
Company secretary	A Webster
Registered number	05471230
Registered office	13th Floor 88 Wood Street London EC2V 7DA
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor Portwall Place Portwall Lane Bristol BS1 6NA

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The board of directors (the 'Directors') present their report and the financial statements for the year ended 31 March 2021.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Pillar 3 disclosures

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.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £893,418 *(2020 - £1,150,363)*.

No dividends were paid during the year (2020: nil).

Directors

The Directors who served during the year were:

P Fietje
A Webster
E Goodfellow (appointed 7 May 2020)
S Mason

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

Auditor

The auditor, Nexia Smith & Williamson, 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.

AWebster
AWebster (Sep 24, 2021 14:10 GMT+1)

A Webster
Director

Date: 24/09/2021

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Principal activity

The principal activity of Tavira Securities 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

For the fourth consecutive year, Tavira reported a profit in 2020/21. This is despite the obvious impact coronavirus had on the financial markets and global economy; and can be attributed to the strategy of diversification adopted by the firm and a targeted cost cutting exercise.

The Tavira Group benefits from having offices in 3 different locations, which appeals to a broad and diverse range of clients. This enabled us to offset significant reductions in brokerage revenue (-£8m) in our traditional London (-£5.2m) and Monaco (-£2.7m) markets, due to the continued growth of our Dubai branch.

During 2019 we started Custody & Clearing and Contracts for Difference businesses in Dubai. The expected impact of these businesses was delayed due to the pandemic, resulting in a postponement of revenue recognition into 2020/21. It is this new revenue (+£2.7m) which has offset the economic downturn, partly due to the UAE Government's strategy of limiting national lockdowns, but also due to the exciting nature of Tavira's new business offering.

Our other revenue arm, the asset management business, has performed consistently year on year (CY £4.71m; PY £4.78m) and therefore helped to provide the stability a company requires during uncertain times.

It was these uncertain times that prompted the Tavira Board to perform a cost review and cost cutting exercise. This was a targeted approach, making savings through renegotiating contracts, switching suppliers, and reducing headcount through natural attrition. The benefit of these savings was only experienced from the 3rd Quarter, and therefore didn't have as full an impact as they will in 2021/22.

Looking back at 2020/21, whilst we would have preferred revenues to be higher, the Tavira Group continues to report a profit, and the balance sheet and financial stability continue to grow. These are encouraging signs and provide the Group with a platform in which to build on in a post-pandemic world.

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 2021

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 2021 is published within these financial statements.

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

AWebster
AWebster (Sep 24, 2021 14:10 GMT+1)

A Webster
Director

Date: 24/09/2021

Smith & Williamson

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAVIRA SECURITIES LIMITED

Opinion

We have audited the financial statements of Tavira Securities Limited (the 'Parent company' or the 'Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and 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 SECURITIES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' report and the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the Group Strategic 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report and the Group Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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 or 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 a general understanding of the company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations and how management identify breaches of the applicable Financial Conduct Authority (FCA) rules. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with requirements of the framework through:
- The Directors managing and overseeing a compliance function
- External compliance reviews and reporting
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:
- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- The UK regulatory principles, including those governed by the Financial Conduct Authority (FCA)

To gain evidence about compliance with the significant laws and regulations above we reviewed the company's breaches register, reviewed board meeting minutes, inspected correspondence with the FCA relating to the year and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries and incorrect recognition of revenue others. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included;
- Testing of a sample of revenue transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the company's processes and controls surrounding manual journal entries.

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.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent company and the Parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Carl Deane
Carl Deane (Sep 27, 2021 11:56 GMT+1)

Carl Deane (Senior Statutory Auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants & Statutory Auditor

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: 27/09/2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	**16,249,503**	*21,460,777*
Cost of sales		**(9,617,117)**	*(10,785,965)*
Gross profit		**6,632,386**	*10,674,812*
Distribution costs		**(216)**	*(6,480)*
Administrative expenses		**(6,365,146)**	*(9,916,530)*
Other operating income	5	**610,741**	*683,998*
Operating profit	6	**877,765**	*1,435,800*
Tax on profit	10	**32,129**	*(281,179)*
Profit for the financial year		**909,894**	*1,154,621*
Currency translation differences		**7,639**	*26,716*
Other comprehensive income for the year		**7,639**	*26,716*
Total comprehensive income for the year		**917,533**	*1,181,337*
Profit for the year attributable to:			
Non-controlling interests		**16,476**	*4,258*
Owners of the parent Company		**893,418**	*1,150,363*
		909,894	*1,154,621*
Total comprehensive income for the year attributable to:			
Non-controlling interest		**16,476**	*4,258*
Owners of the parent Company		**901,057**	*1,177,079*
		917,533	*1,181,337*

The notes on pages 17 to 34 form part of these financial statements.

TAVIRA SECURITIES LIMITED
REGISTERED NUMBER:05471230

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	12		142,804		110,926
			142,804		110,926
Current assets					
Debtors: amounts falling due within one year	14	3,724,910		3,891,778	
Cash at bank and in hand	15	2,939,059		763,962	
		6,663,969		4,655,740	
Creditors: amounts falling due within one year	16	(1,193,859)		(1,322,867)	
Net current assets			5,470,110		3,332,873
Total assets less current liabilities			5,612,914		3,443,799
Provisions for liabilities					
Deferred taxation	18	(11,352)		(7,036)	
			(11,352)		(7,036)
Net assets			5,601,562		3,436,763
Capital and reserves					
Called up share capital	19		1,300,101		101
Share premium account	20		771,799		771,799
Foreign exchange reserve	20		5,453		50,548
Profit and loss account	20		3,370,730		2,477,312
Equity attributable to owners of the parent Company			5,448,083		3,299,760
Non-controlling interests			153,479		137,003
			5,601,562		3,436,763

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

24/09/2021

AWebster

AWebster (Sep 24, 2021 14:10 GMT+1)

A Webster
Director

The notes on pages 17 to 34 form part of these financial statements.

TAVIRA SECURITIES LIMITED
REGISTERED NUMBER:05471230

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	12		**107,083**		*61,699*
Investments	13		**342,119**		*342,119*
			449,202		*403,818*
Current assets					
Debtors: amounts falling due within one year	14	**3,404,349**		*2,950,342*	
Cash at bank and in hand	15	**1,847,410**		*289,235*	
		5,251,759		*3,239,577*	
Creditors: amounts falling due within one year	16	**(1,261,899)**		*(1,255,671)*	
Net current assets			**3,989,860**		*1,983,906*
Total assets less current liabilities			**4,439,062**		*2,387,724*
Provisions for liabilities					
Deferred taxation	18	**(11,352)**		*(7,036)*	
			(11,352)		*(7,036)*
Net assets excluding pension asset			**4,427,710**		*2,380,688*
Net assets			**4,427,710**		*2,380,688*
Capital and reserves					
Called up share capital	19		**1,300,101**		*101*
Share premium account	20		**771,799**		*771,799*
Profit and loss account brought forward		**1,608,788**		*449,008*	
Profit for the year		**747,022**		*1,159,780*	
Profit and loss account carried forward			**2,355,810**		*1,608,788*
			4,427,710		*2,380,688*

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

AWebster
AWebster (Sep 24, 2021 14:10 GMT+1)

24/09/2021

A Webster
Director

The notes on pages 17 to 34 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Retained earnings	Equity attributable to owners of the Parent company	Non-controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2019	101	771,799	23,832	1,326,949	2,122,681	132,745	2,255,426
Comprehensive income for the year							
Profit for the year	-	-	-	1,150,363	1,150,363	4,258	1,154,621
Currency translation differences	-	-	26,716	-	26,716	-	26,716
Total comprehensive income for the year	-	-	26,716	1,150,363	1,177,079	4,258	1,181,337
At 1 April 2020	101	771,799	50,548	2,477,312	3,299,760	137,003	3,436,763
Comprehensive income for the year							
Profit for the year	-	-	-	893,418	893,418	16,476	909,894
Currency translation differences	-	-	(45,095)	-	(45,095)	-	(45,095)
Total comprehensive income for the year	-	-	(45,095)	893,418	848,323	16,476	864,799
Shares issued during the year	1,300,000	-	-	-	1,300,000	-	1,300,000
At 31 March 2021	1,300,101	771,799	5,453	3,370,730	5,448,083	153,479	5,601,562

The notes on pages 17 to 34 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 April 2019	**101**	**771,799**	**449,008**	**1,220,908**
Comprehensive income for the year				
Profit for the year	-	-	1,159,780	1,159,780
At 1 April 2020	**101**	**771,799**	**1,608,788**	**2,380,688**
Comprehensive income for the year				
Profit for the year	-	-	747,022	747,022
Contributions by and distributions to owners				
Shares issued during the year	1,300,000	-	-	1,300,000
At 31 March 2021	**1,300,101**	**771,799**	**2,355,810**	**4,427,710**

The notes on pages 17 to 34 form part of these financial statements.

TAVIRA SECURITIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	*2020 £*
Cash flows from operating activities		
Profit for the financial year	**909,894**	*1,154,621*
Adjustments for:		
Depreciation of tangible assets	**57,584**	*70,151*
Interest paid	-	*94,810*
Taxation charge	**(32,129)**	*281,179*
Decrease/(increase) in debtors	**166,868**	*(1,457,907)*
Increase in creditors	**138,347**	*357,327*
Increase/(decrease)) in amounts owed to groups	-	*(538,327)*
Share of operating profit in joint ventures	-	*43,586*
Corporation tax (paid)	**(276,004)**	*(101,848)*
Net cash generated from operating activities	**964,560**	*(96,408)*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(89,463)**	*(93,788)*
Sale of tangible fixed assets	-	*7,955*
Net cash from investing activities	**(89,463)**	*(85,833)*
Cash flows from financing activities		
Issue of ordinary shares	**1,300,000**	-
Net cash used in financing activities	**1,300,000**	-
Net increase/(decrease) in cash and cash equivalents	**2,175,097**	*(182,241)*
Cash and cash equivalents at beginning of year	**763,962**	*946,203*
Cash and cash equivalents at the end of year	**2,939,059**	*763,962*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**2,939,059**	*763,962*
	2,939,059	*763,962*

The notes on pages 17 to 34 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	**763,962**	**2,175,097**	**2,939,059**
Debt due within 1 year	**(2,303)**	**-**	**(2,303)**
	761,659	**2,175,097**	**2,936,756**

The notes on pages 17 to 34 form part of these financial statements.

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

1. General information

Tavira Securities 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 4.

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 or Statement of Cash Flows 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 Tavira Securities Limited and its own material subsidiaries (the Group) as if they formed 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 Turnover

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.

2.4 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2. Accounting policies (continued)

2.5 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 believe that such statements hold true for future periods following another profitable year and the receipt of a capital injection of £1.3m from its majority shareholder.

The injection increases the Tier 1 capital of the Group, and provides a platform to pursue new business opportunities and continue to grow the Tavira brand.

2.6 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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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.

2.7 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.

2. Accounting policies (continued)

2.8 *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.

2.9 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 Pound 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.

2.10 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.

2. Accounting policies (continued)

2.11 *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.

2. Accounting policies (continued)

2.12 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.

3. Key sources of estimation uncertainty and judgements

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

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	**13,088,334**	*15,643,471*
Rest of Europe	**3,161,169**	*5,817,306*
	16,249,503	*21,460,777*

5. Other operating income

	2021 £	2020 £
Other operating income	**610,741**	*683,998*

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	15,029	656
Other operating lease rentals	348,508	536,190

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	44,640	41,880

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

	2021 £	2020 £
Assurance services other than the audit of the financial statements	15,070	4,200
Tax compliance and advisory services	30,636	18,300
	45,706	22,500

8. Employees

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,319,763	4,398,665	2,129,666	3,989,945
Social security costs	299,923	715,090	178,197	459,225
	2,619,686	5,113,755	2,307,863	4,449,170

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Administrative staff	23	40	18	27

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	409,000	267,667
	409,000	267,667

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(95,269)	267,347
Adjustments in respect of previous periods	-	6,550
	(95,269)	273,897
Foreign tax		
Foreign tax on income for the year	63,140	8,876
	63,140	8,876
Total current tax	(32,129)	282,773
Deferred tax		
Origination and reversal of timing differences	-	(1,594)
Total deferred tax	-	(1,594)
Taxation on (loss)/profit on ordinary activities	(32,129)	281,179

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2020 - higher than)* the standard rate of corporation tax in the UK of 19% *(2020 - 19 %)*. The differences are explained below:

	2021	*2020*
	£	*£*
Profit on ordinary activities before tax	**651,755**	*1,435,800*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19 %)	**123,833**	*272,802*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**2,173**	*4,661*
Fixed asset differences	**5,312**	*131*
Utilisation of tax losses	**105,374**	*-*
Foreign Permanent Establishment exemption	**(229,264)**	*(12,224)*
Overseas tax	**63,140**	*8,062*
Adjustments to tax charge in respect of prior periods	**(102,697)**	*6,723*
Adjustments to opening and closing rates of tax	**-**	*1,024*
Total tax charge for the year	**(32,129)**	*281,179*

Factors that may affect future tax charges

There are no known factors which may affect future tax charges.

11. 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 profit after tax of the parent Company for the year was £747,022 *(2020 - £1,159,780)*.

12. Tangible fixed assets

Group

	Office equipment £
Cost or valuation	
At 1 April 2020	**958,551**
Additions	**89,462**
At 31 March 2021	**1,048,013**
Depreciation	
At 1 April 2020	**847,625**
Charge for the year on owned assets	**57,584**
At 31 March 2021	**905,209**
Net book value	
At 31 March 2021	**142,804**
At 31 March 2020	*110,926*

12. Tangible fixed assets (continued)

Company

	Office equipment £
Cost or valuation	
At 1 April 2020	**673,372**
Additions	**89,462**
At 31 March 2021	**762,834**
Depreciation	
At 1 April 2020	**611,673**
Charge for the year on owned assets	**44,078**
At 31 March 2021	**655,751**
Net book value	
At 31 March 2021	**107,083**
At 31 March 2020	*61,699*

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	**342,119**
At 31 March 2021	**342,119**
Net book value	
At 31 March 2021	**342,119**
At 31 March 2020	*342,119*

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Tavira Monaco S.A.M.	Le Montaigne, 6 Boulevard Des Moulins, 98000, Monaco	Ordinary	89.9%
Tavira UK Limited	13th Floor, 88 Wood Street, London, EC2V 7DA	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Tavira Monaco S.A.M.	**1,363,001**	**146,655**
Tavira UK Limited	**100**	-

14. Debtors

	Group 2021 £	*Group 2020 £*	**Company 2021 £**	*Company 2020 £*
Trade debtors	**1,625,590**	*1,867,806*	**1,321,092**	*1,333,902*
Amounts owed by group undertakings	**1,151,299**	*857,155*	**1,206,710**	*600,000*
Other debtors	**812,400**	*752,390*	**772,679**	*636,195*
Prepayments and accrued income	**135,621**	*414,427*	**103,868**	*380,245*
	3,724,910	*3,891,778*	**3,404,349**	*2,950,342*

15. Cash and cash equivalents

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Cash at bank and in hand	**2,939,059**	*763,962*	**1,847,410**	*289,235*
	2,939,059	*763,962*	**1,847,410**	*289,235*

16. Creditors: Amounts falling due within one year

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Trade creditors	**349,653**	*234,880*	**279,590**	*234,880*
Amounts owed to group undertakings	-	-	**291,586**	*295,158*
Corporation tax	-	*267,355*	-	*267,355*
Other taxation and social security	**60,556**	*52,292*	**60,556**	*52,292*
Other creditors	**18,492**	*50,206*	**18,492**	*2,303*
Accruals and deferred income	**765,158**	*718,134*	**611,675**	*403,683*
	1,193,859	*1,322,867*	**1,261,899**	*1,255,671*

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 Securities Limited. Mr E Goodfellow was made a director of Tavira Securities Limited on 7 May 2020.

17. Financial instruments

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Financial assets				
Financial assets measured at fair value through profit or loss	**2,939,059**	*763,962*	**1,847,410**	*289,235*
Financial assets that are debt instruments measured at amortised cost	**3,724,910**	*3,891,778*	**3,404,349**	*2,950,342*
	6,663,969	*4,655,740*	**5,251,759**	*3,239,577*
Financial liabilities				
Financial liabilities measured at amortised cost	**(1,193,859)**	*(1,322,867)*	**(1,261,899)**	*(1,255,671)*

17. 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 IFPRU investment firm, the firm is subject to regulatory capital and reporting requirements set out in the IFPRU 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.

18. Deferred taxation

Group

	2021 £
At beginning of year	(7,036)
Charged to profit or loss	(4,316)
At end of year	**(11,352)**

18. Deferred taxation (continued)

Company

	2021 £
At beginning of year	(7,036)
Charged to profit or loss	(4,316)
At end of year	**(11,352)**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	**(11,597)**	*(7,326)*	**(11,597)**	*(7,326)*
Short term timing differences	**245**	*290*	**245**	*290*
	(11,352)	*(7,036)*	**(11,352)**	*(7,036)*

19. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
1,300,100 *(2020 - 100)* Ordinary shares of £1.00 each	**1,300,100**	*100*
1 *(2020 - 1)* B share of £1.00	**1**	*1*
	1,300,101	*101*

1,300,000 new ordinary shares were issued to Tavira Holdings Limited on 17 March 2021.

20. 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 & loss account

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

21. Contingent liabilities

There are no contingent liabilities of the parent or group (2020 - none).

22. Commitments under operating leases

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

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Not later than 1 year	**286,828**	*441,951*	**222,938**	*315,905*
Later than 1 year and not later than 5 years	**297,007**	*133,000*	**179,876**	*133,000*
	583,835	*574,951*	**402,814**	*448,905*

23. Related party transactions

During the year the group received other income from Tavira Holdings Limited of £300,000 (2020 - £350,000). There was also a capital injection of £1,300,000 received from Tavira Holdings Limited.

Included within Cost of sales is £814,558 (2020 - £3,829,259) of introducing broker fees paid to Tavira Holdings Limited.

At the year end Tavira Securities Limited was owed £900,000 (2020: £600,000) and Tavira Monaco SAM was owed £251,299 (2020: £257,155) by Tavira Holdings Limited.

At the year end Tavira Securities Limited owed £291,586 (2020: £295,158) to Tavira Monaco SAM.

24. 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 Securities Limited.

25. IFPRU & 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 2021 in these financial statements as follows:

i. Names of the company, subsidiaries or branches, nature of activities and geographical location	Notes 1, 13
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 10
vi. Public subsidies received	£nil

IFPRU 9 disclosures

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

	2021	2020
i. Profit/(Loss) for the year	£747,022	£1,159,780
ii. Net assets	£4,427,710	£2,380,688
iii. Return on assets	17%	48%

Smith & Williamson