

LGB & Co. Limited

Annual Report and Financial Statements
for the Year Ended 31 March 2022

LGB & Co. Limited

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LGB & Co. Limited

Company Information

Directors	Andrew Boyle Cedric Parent Simone Westerhuis
Company secretary	Marlena Rosser
Registered office	Tintagel House 92 Albert Embankment London SE1 7TY
Auditor	Carbon Accountancy Limited Chartered Accountants and Registered Auditors 80-83 Long Lane London EC1A 9ET

LGB & Co. Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors of the company

The directors who held office during the year were as follows:

Andrew Boyle

Cedric Parent (appointed 1 August 2021)

Lisa Pickup (retired 30 June 2022)

Simone Westerhuis

Nicolas Smith (retired 29 April 2022)

Principal activity

The principal activities of the company are the provision of capital raising and investment services.

Pillar 3 Disclosure

LGB & Co Limited ("the Company" or "LGB") is required by the FCA to make Pillar 3 disclosure. LGB was authorised by the Financial Services Authority on 21 February 2006. The Company is a Solo regulated entity. Its activities give it the categorisation of an IFPRU Firm. The Company has documented the disclosures required by the FCA and they are available upon request to the Company Secretary at the Company's registered office.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 21 July 2022 and signed on its behalf by:

.....

Andrew Boyle

Director

.....

Cedric Parent

Director

LGB & Co. Limited
(Registration number: 05602072)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	10,000	11,745
Tangible assets	<u>5</u>	6,909	18,467
Other financial assets	<u>6</u>	684,259	640,434
		<u>701,168</u>	<u>670,646</u>
Current assets			
Debtors	<u>7</u>	566,422	715,098
Cash at bank and in hand		347,711	150,995
		914,133	866,093
Creditors: Amounts falling due within one year	<u>8</u>	(477,347)	(802,149)
Net current assets		<u>436,786</u>	<u>63,944</u>
Total assets less current liabilities		1,137,954	734,590
Creditors: Amounts falling due after more than one year	<u>8</u>	(649,167)	(205,000)
Net assets		<u>488,787</u>	<u>529,590</u>
Capital and reserves			
Called up share capital		141,872	141,720
Share premium reserve		97,309	97,309
Revaluation reserve		157,942	87,398
Other reserves		1,246,260	1,084,760
Profit and loss account		(1,154,596)	(881,597)
Total equity		<u>488,787</u>	<u>529,590</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 21 July 2022 and signed on its behalf by:

.....
Andrew Boyle
Director

.....
Cedric Parent
Director

LGB & Co. Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Tintagel House
92 Albert Embankment
London
SE1 7TY

These financial statements were authorised for issue by the Board on 21 July 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Presentational currency is Sterling Pound (GBP).

Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 21 July 2022 was John Leyden FCA, who signed for and on behalf of Carbon Accountancy Limited.

LGB & Co. Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of services provided to the customers.

The company's services can be broadly categorised as:

- Corporate Finance advice in relation to Merger & Acquisition and financing
- Arrangement fees/commissions in respect of Merger & Acquisition and finance transaction success fees.
- Provision of investment advice to individual and institutional investors

Revenue is recognised during a given period when:

1. An invoice for services rendered is issued to a client.
2. An income accrual is made on contracted work according to :
 - a) With respect to hourly billing; the hourly rate multiplied the number of hours completed.
 - b) With respect to per annum charges; the annual rate multiplied by the portion of the year elapsed.
 - c) With respect to fundraising commissions; the total amount of commitments made by investors multiplied by the percentage commission.
3. The Company is entitled to a percentage of profits on some investment portfolios. Carried interest in respect of profits on contracted advisory investment portfolios is recognised by:
 - a) Accrual on unrealised profits according to a Black-Scholes option pricing mechanism in advance of an invoicing event
 - b) Accrual on the actual profit made on realised investments in advance of an invoicing event.
 - c) Invoicing of unrealised/realised profits according to the terms of the particular advisory contract.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	25% straight line

Intangible assets

Intangible asset relates to development cost incurred towards building the company's website. These are stated in the balance sheet at historical cost less accumulated amortisation 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.

LGB & Co. Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website development cost	25% straight line but none in the year of capitalisation

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment. By their nature the investments, being in unquoted companies, are illiquid and can be subject to volatility in value.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method.

Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements for the Year Ended 31 March 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 11 (2021 - 10).

LGB & Co. Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Intangible assets

	Website development cost £	Total £
Cost or valuation		
At 1 April 2021	46,980	46,980
Additions acquired separately	10,000	10,000
At 31 March 2022	56,980	56,980
Amortisation		
At 1 April 2021	35,235	35,235
Amortisation charge	11,745	11,745
At 31 March 2022	46,980	46,980
Carrying amount		
At 31 March 2022	10,000	10,000
At 31 March 2021	11,745	11,745

5 Tangible assets

	Fixtures and fittings £	Other tangible assets £	Total £
Cost or valuation			
At 1 April 2021	38,967	18,901	57,868
At 31 March 2022	38,967	18,901	57,868
Depreciation			
At 1 April 2021	26,407	12,994	39,401
Charge for the year	6,833	4,725	11,558
At 31 March 2022	33,240	17,719	50,959
Carrying amount			
At 31 March 2022	5,727	1,182	6,909
At 31 March 2021	12,560	5,907	18,467

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Notes to the Financial Statements for the Year Ended 31 March 2022

6 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 April 2021	640,434	640,434
Revaluations	70,543	70,543
Disposals	(26,718)	(26,718)
At 31 March 2022	684,259	684,259
Impairment		
Carrying amount		
At 31 March 2022	684,259	684,259

7 Debtors

	2022 £	2021 £
Current		
Trade debtors	325,142	234,993
Prepayments	30,665	85,310
Other debtors	210,615	394,795
	566,422	715,098

Debtors includes £132,802 (2021 - £255,220) receivable after more than one year in relation to Carried Interest.

Carried Interest represents the Company's contractual share of profits earned on advisory clients' investment portfolios. The value of Carried Interest has been calculated using Black-Scholes options pricing model using implied volatility rates which the directors believe reflect market circumstances at the balance sheet date. These profits are realisable when the clients' gains are realised.

During the year ended, the Company has placed a provision of £27,918 (2021: £Nil) for Carried Interest due to the planned transition of the Company's advisory services to a fixed fee only basis. This is in conjunction with the Company's utilisation of a new online investment platform and a review of its investment advisory accounts.

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Notes to the Financial Statements for the Year Ended 31 March 2022

8 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	11	110,000	416,675
Trade creditors		42,646	40,674
Taxation and social security		99,415	94,288
Accruals and deferred income		185,784	214,624
Other creditors		39,502	35,888
		<u>477,347</u>	<u>802,149</u>

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	11	<u>649,167</u>	<u>205,000</u>

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	141,872	141,872	141,720	141,720

10 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Revaluation reserve £	Total £
Surplus/deficit on revaluation of other assets	<u>70,544</u>	<u>70,544</u>

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Revaluation reserve £	Total £
Surplus/deficit on revaluation of other assets	<u>(8,665)</u>	<u>(8,665)</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

11 Loans and borrowings

	2022	2021
	£	£
Current and non-current loans and borrowings		
Bank borrowings	49,167	50,000
Loan notes	710,000	571,675
	<u>759,167</u>	<u>621,675</u>

The loan notes are issued under the terms of LGB's Medium Term Note Programme. The average interest rate is 7.5%. The loan interest is payable at the end of each quarter except for one issue on which interest is rolled up to the maturity of 15th December 2024.

12 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	39,750	11,000

The amount of non-cancellable operating lease payments recognised as an expense during the year was £60,944 (2021 - £91,029).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.