

BELL POTTER SECURITIES (UK) LTD
(Registered Number: 6166066)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

FRIDAY



AB8ABX4P

A10

15/07/2022

#152

COMPANIES HOUSE

Contents

Strategic Report	3 - 5
Directors' Report	6 - 7
Statement of directors' responsibilities in respect of the annual report, strategic report, the directors' report and the financial statements	8
Independent auditor's report to the members of Bell Potter Securities Limited (UK)	9 - 12
Profit and Loss Account	13
Balance Sheet	14
Notes	15 - 21

STRATEGIC REPORT

The Strategic report is a statutory requirement in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. It is intended to be fair and balanced, and to provide information that enables the Directors to be satisfied that they have complied with s172 of the Corporations Act 2006 (which sets out the Directors' duty to promote the success of the Company).

Business Overview

The Bell Potter Securities (UK) Limited ("The Company") was incorporated on 16 March 2007, and commenced its regulated activities on 28 January 2009.

The Company provides financial services to European professional and counterparty investors. The Company is authorised by the Financial Conduct Authority ("FCA") in accordance with the Financial Services and Markets Act.

The group parent entity is Bell Potter Securities Limited, incorporated in Australia.

Bell Potter Securities Limited, incorporated in Australia, is wholly owned by Bell Financial Group Limited. As at the date of this report, the ultimate parent entity is Bell Financial Group Limited, incorporated in Australia and listed on the Australian Securities Exchange. The ultimate parent and its subsidiaries predominately provide financial services in Australia.

The Directors have considered the potential risks associated with the UK's departure from the European Union and have assessed that there is likely to be no material impact on the Company.

The Company has three sources of revenue:

- brokerage fees earned from arranging for ASX (Australian Securities Exchange) market trades on behalf of Bell Potter Securities Limited, incorporated in Australia,
- corporate fees earned on debt and IPO placements arranged on behalf of Bell Potter Securities Limited and;
- fees from redistribution of investment research materials.

The entity exists to further the strategy of the Bell Financial Group in supporting the clients of the group in their activities in the UK and Europe and in attracting investment from the UK and Europe for institutional clients of the Bell Financial group. The objective of the company is to provide continued access to UK and European markets for counter-parties. The Company achieves this through its close relationship with the wider Bell Financial Group and its relationship with the investor community in the UK. The business model is focused on offering flexibility to the parent entity and investors to take advantage of market conditions and the sales force is established and incentivised on that basis.

Results and dividends

The loss before income tax for the year was £ 160,680.08 (2020: £ 141,782 loss).

The net loss after income tax for the year was £ 160,680.08 (2020: £ 141,782 loss).

No dividends were paid by the Company during the year and the Directors do not recommend the declaration of a final dividend in respect of the year (2020: Nil).

Business environment, strategy and future outlook

The Company arranges for the execution of ASX market trades through its group parent Bell Potter Securities Limited, incorporated in Australia, and it redistributes investment research.

Notwithstanding the loss for the year of £160,680 (2020: £ 141,782 loss) which was due to a reduction in brokerage fees driven by market activity in Australia and client demand in the UK, operating cash outflows for the year of £160,680, (2020: £141,782) and a retained loss of £440,008.96 (2020: £279,328 retained loss) the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its operating cash flows and in downside cases funding from its ultimate parent company, Bell Financial Group, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bell Financial Group providing additional financial support during that period. Bell Financial Group has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Section 172 statement

The directors have acted in a way that they considered, in good faith, to most likely promote the success of the firm for the benefit of its shareholder as a whole, and in doing so had regard, amongst other matter, to:

- the likely consequences of any decision in the long term;
- the interest of the Company's employees;
- the need to foster the Bell Potter business relationships with suppliers, clients and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the firm in maintaining a reputation for high standard of business conduct within the industry; and
- the need to act fairly as between members of the company.

The purpose of the Company is to further the strategy of the Bell Financial Group in supporting the clients of the group in their activities in the UK and Europe, mainly in arranging for the execution of ASX market trades through its Group parent Bell Potter Securities Limited and redistribute investment research. Due to the nature of the Company, no decisions were made by the Directors during the reporting period which required them to have regard to the matters set out in Section 172 of the Companies Act 2006.

The directors also considered the views and interests of a wider set of stakeholders, including the firm's regulators, the Government and non-governmental organisations. Considering this broad range of interest is an important part of the way the Board makes decisions, although in balancing those different perspectives it may not always be possible to deliver to every stakeholder's desired outcome.

Principal risks and uncertainties

Risks are reviewed by management and the board and appropriate processes put in place to monitor and mitigate them. The management and operation of the business are subject to a number of risks which are set out below.

Regulatory Risk

The Company is subject to regulation by the FCA. The Company has compliance personnel and has established processes to ensure that regulatory compliance is maintained at all times.

Recast Markets in Financial Instruments Directive (MiFID II) was implemented in January 2018 and is relevant to the Company's investment research business. MiFID II increases the transparency requirements for the equities market including rules relating to inducements and the provision of investment research. The introduction of MiFID II may result a general industry downturn in commission paid to brokers as unbundling of research and trading commission was implemented.

Principal risks and uncertainties

Operational Risk

Operational risk is the risk of loss arising from failure of internal controls, operational processes or systems. Operational risk exposure is managed by the maintenance of a strong framework of internal controls that are subject to both regular internal testing and independent review from the group parent.

Market Risk

The Company is subject to a degree of market risk as there is a link to the Australian economy due to the nature of business that is conducted. The Directors have considered the risks associated to Brexit and concluded no risk for the entity. This is because the Company's clients are UK entities seeking to invest in Australian securities.

Key Performance Indicators

In considering the company's performance and benefits for shareholder wealth, the company's main financial indicators in respect of the current financial year and previous financial years, include Revenue & Net Profit before tax. Revenue and Net profit before tax are the main key performance indicators in determining the compensation levels for Key Management Personnel. There was no KPI remuneration in 2021.

Summary

The Directors are confident that the Company is well positioned to face challenging markets in 2022 and the demands of its stakeholders.



Peter Moon
16 Berkeley Street
London
W1J 8DZ9, United Kingdom

25 April 2022
Registered Number: 6166056

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Principal Activities

The Company was incorporated on 16 March 2007 and commenced its regulated activities on 28 January 2009.

The Company arranges for the execution of ASX market trades through its group parent Bell Potter Securities Limited, incorporated in Australia, and it redistributes investment research. The Company is authorised by the Financial Conduct Authority ("FCA") in accordance with the Financial Services and Markets Act.

Bell Potter Securities Limited, incorporated in Australia, is wholly owned by Bell Financial Group Limited. As at the date of this report, the ultimate parent entity is Bell Financial Group Limited, incorporated in Australia and listed on the Australian Securities Exchange. The ultimate parent and its subsidiaries predominately provide financial services in Australia.

Results and dividends

The loss before income tax for the year was £ 160,680 (2020: £ 141,782 loss).

The net loss after income tax for the year was £ 160,680 (2020: £ 141,782 loss).

No dividends were paid by the Company during the year and the Directors do not recommend the declaration of a final dividend in respect of the year (2020: Nil).

Subsequent events

There were no material subsequent events.

Directors

The directors who served during the year were as follows:

Peter Moon	
Colin Bell	Resigned 2 October 2021
Dean Davenport	Appointed 1 October 2021

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2020: Nil).

Engagement with suppliers, customers and others in business relations

The strategic report details how the Directors have had regard with respect to engagement with suppliers and any key decisions taken during the year.

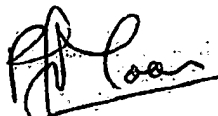
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 516 of the Companies Act 2006, the auditor will not be seeking reappointment for next year and KPMG will therefore not continue in office.

By order of the board



Peter Moon
16 Berkeley Street
London
W1J 8DZ9, United Kingdom

25 April 2022

Registered Number: 6166066

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board



Peter Moon
16 Berkeley Street
London
W1J 8DZ9, United Kingdom

25 April 2022
Registered Number: 6166066

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELL POTTER SECURITIES (UK) LIMITED

Opinion

We have audited the financial statements of Bell Potter Securities (UK) Limited ("the company") for the year ended 31 December 2021 which comprise the Profit and Loss Account, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as to whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes for management and sales staff
- Using analytical procedures to identify any usual or unexpected relationships.

As required by auditing standards and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the nature of revenue is simple and there is limited opportunity for management override of controls.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the Group and Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted with the words containing "restatement" or "reversal" or "reclass/reclassification" and those posted to unrelated accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified FCA regulations as the areas most likely to have such an effect, recognising the financial and regulated nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Matthew Green (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL
26 April 2022

Profit and Loss Account
For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover	7	91	153
Staff costs	6	(128)	(168)
Other operating expenses		(124)	(127)
Operating (loss)		(161)	(142)
(Loss) on ordinary activities before taxation		(161)	(142)
Tax on (loss) on ordinary activities	4		
(Loss) for the financial year		(161)	(142)
Retained loss at 1 January		(279)	(137)
Retained loss at 31 December		(440)	(279)

There have been no recognised gains or losses other than those shown in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been prepared.

The accounting policies and notes on pages 15 to 21 form an integral part of these financial statements.

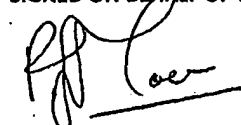
Bell Potter Securities (UK) Limited
Directors' report and financial statements
31 December 2021

Balance Sheet
As at 31 December 2021

	Note	2021 £000	2020 £000
Current assets			
Debtors due within one year			
Prepayments	8	10	13
Deposits	8	14	14
Amounts owed by group undertakings	8	61	461
Cash at bank and in hand	9	258	95
		343	583
Current liabilities			
Creditors due within one year			
Amounts owed to group undertakings	10	103	379
Accruals	10	30	33
		133	412
Net current assets		210	171
Total assets less current liabilities		210	171
Capital and reserves			
Called up share capital	11	650	450
Profit and loss account		(440)	(279)
Shareholders' funds	12	210	171

The accounting policies and notes on pages 15 to 21 form an integral part of these financial statements.

SIGNED ON BEHALF OF THE BOARD



Peter Moon

25 April 2022

Registered Number: 6166066

Notes

Notes

1. Accounting policies

Bell Potter Securities (UK) Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 6166066 and the registered address is 16 Berkeley Street, London, W1J 8DZ, United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Bell Financial Group Ltd includes the Company in its consolidated financial statements. The consolidated financial statements of Bell Financial Group Ltd are prepared in accordance with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board (IASB) and are available to the public and may be obtained from <https://www.bellfg.com.au/>. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Disclosures of related party transactions between wholly owned subsidiaries and parents within a group

The Company has presented a single statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity as per FRS 102 3.18.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

a) Basis of Preparation

Notwithstanding the loss for the year of £160,680 (2020: £141,782 loss), operating cash outflows for the year of £160,680, (2020: £141,782) and a retained loss of £440,009 (2020: £279,328 retained loss) the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its operating cash flows and in downside cases funding from its ultimate parent company, Bell Financial Group, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bell Financial Group providing additional financial support during that period. Bell Financial Group has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (Continued)

b) *Measurement convention*

The financial statements are prepared on the historical cost basis.

c) *Foreign currency*

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

d) *Basic financial instruments*

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument. The collectability of debts is assessed at balance date and specific provision is made for any doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances. Cash is held for working capital.

e) *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment 2.5 years
- fixtures and fittings 2.5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

f) *Turnover*

Revenue represents primarily brokerage and corporate fee income derived in the normal course of business. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue can be recognised.

- Brokerage Revenue is recognised by the Company on an accruals basis as and when services have been provided. Brokerage is recognised when a trade is executed. Corporate fees are recognised upon completion of the transaction.
- Interest income is recognised as it accrues using the effective interest rate method.
- All revenue is stated net of the amount of VAT.

Notes (Continued)

Fees for services relating to research services & other services provided to various investors are primarily fixed with a variable fee element for some investors. The fixed fees are accrued in the period when the service has been provided and the variable element is recognised when they become certain and recognised on a receipts basis or when notification of payment is received from the investor.

g) Expenses

Operating lease

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

h) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Deferred tax is also recognised for the unused tax losses. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Segmental analysis

An analysis of turnover and operating profit by geographical region and business segment has not been provided because the Directors are of the opinion that operations are based in England and that the Company's principal activities constitute one business. Therefore no meaningful geographical region and business segment can be determined.

3. Auditor's remuneration

	2021 £000	2020 £000
<i>Auditor's remuneration</i>		
Fees payable to the Company's auditor for the statutory audit of annual financial statements	17	16
Audit related assurance services	11	10
	<u>28</u>	<u>26</u>

The auditor's fee has been borne by Bell Financial Group Ltd.

Notes (Continued)

4. Tax on loss on ordinary activities

Analysis of charge in year

	2021 £000	2020 £000
<i>UK corporation tax</i>		
Current tax charge on income for the year	-	-
Adjustments in respect of prior periods	-	-
Total current tax charge	-	-
<i>Deferred tax</i>		
Total deferred tax	-	-
Tax (credit)/charge on (loss)/profit on ordinary activities	-	-

Factors affecting the tax credit for the current year

Unrecognised tax assets relating to tax losses at 31 December 2021: £ 97,000 (2020: £ 66,000).

The UK corporation tax rate applying to the Company is 19% (2020: 19%). An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

The tax (credit)/charge for the year is lower (2020: lower) than that resulting from applying the standard rate of UK corporation tax. The differences are explained below.

	2021 £000	2020 £000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(161)	(142)
Current tax (credit)/charge at 19% (2020: 19%)	(31)	(27)
<i>Effects of:</i>		
Adjustment in respect of prior period	-	-
Expenses not deductible for tax purposes	-	-
Utilization of tax losses not recognised	31	27
Tax credit not recognised	-	-
Total current tax (credit)/charge	-	-

Notes (Continued)

5. Remuneration of directors

	2021 £000	2020 £000
Executive Directors' emoluments	5	5

Emoluments paid to the Directors in respect of services for the Company but borne by the parent company during the year were £nil (2020: £nil).

Emoluments paid to the highest paid Director was £5,000 (2020: £5,000). Director receives no other benefits (pensions and share based payments).

6. Staff numbers and costs

The average number of persons employed by the Company (including executive directors) during the year, analysed by category, was as follows:

	2021 No.	2020 No.
Directors	2	2
Employees	2	2
	<u>4</u>	<u>4</u>

The aggregate payroll costs of these persons were as follows:

	2020 £000	2020 £000
Wages and salaries	114	152
Employer's social security expenditure	14	16
	<u>128</u>	<u>168</u>

7. Turnover

	2021 £000	2020 £000
Brokerage	5	30
Corporate fee income	40	56
Fees for service	46	67
	<u>91</u>	<u>153</u>

8. Debtors and prepayments

	2021 £000	2020 £000
Amounts owed by group undertakings	61	461
Deposits	14	14
Prepayments	10	13
	<u>85</u>	<u>488</u>

Notes (Continued)

9. Cash at bank and in hand

	2021	2020
	£000	£000
Cash at bank and in hand	258	95

10. Creditors and accruals (amounts due within 1 year)

	2021	2020
	£000	£000
Amounts owed to group undertakings	103	379
Accruals	30	33
	133	412

11. Called-up share capital

	2021	2020
	£000	£000
Shares approved, called up and fully paid		
450,000 ordinary shares of £1 each	450	450
Capital Injection	200	0
650,000 ordinary shares of £1 each	650	450

12. Reconciliation of movements in shareholders' funds

	2021	2020
	£000	£000
(Loss)/profit for the financial year	(161)	(142)
Net (decrease)/increase in shareholders' funds	(161)	(142)
Opening shareholders' funds	171	313
Capital Injection	200	
Closing shareholders' funds	210	171

13. Subsequent events

There were no material subsequent events.

Notes (Continued)

14. Operating Lease

	2021	2020
	£000	£000
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Annual rental commitments on leases expiring:		
Within 1 year	68	11
1 - 2 years	11	-
2 - 5 years	-	-
Later than 5 years	-	-
	79	11
Lease payment recognised as expense	68	68

15. Group structure

The Company's immediate parent undertaking is Bell Potter Securities Limited, a company incorporated and registered in the United Kingdom.

The Company's ultimate controlling party is Bell Financial Group Limited, a company listed on the Australian Securities Exchange. Financial statements of Bell Financial Group Limited are available from the Company Secretary at GPO Box 4718, Melbourne VIC 3001, Australia.

The smallest and largest group in which the results of the Company for the year were consolidated was that headed by Bell Financial Group Limited.