

Registration number: 06407856

Sapien Capital Limited

Annual Report and Financial Statements

for the Year Ended 10 September 2022

KNAV Limited
Statutory Auditors
Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

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Sapien Capital Limited

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Sapien Capital Limited

Company Information

Directors	Mr R K Ahuja Ms A Aggarwal
Registered office	169 Piccadilly 4th Floor London W1J 9EH
Auditors	KNAV Limited Statutory Auditors Hygeia Building Ground Floor 66-68 College Road Harrow Middlesex HA1 1BE

Sapien Capital Limited
Strategic Report for the Year Ended 10 September 2022

The directors present their strategic report for the year ended 10 September 2022.

Principal activity

The principal activity of the company is that of corporate finance advisory, arranging services, arranging of debt (corporate loans and bonds), equity (private and public), strategic partnerships and Mergers & Acquisitions.

Fair review of the business

The firm during the year has been active in taking up new corporate finance advisory and arranging mandates. The firm has been endeavouring to build up a steady pipeline slated for execution in the FY 2022-23. These assignments relate to debt fund raising, strategic partnerships and mergers & acquisitions. The firm is hopeful of successful completion of 1-2 mandates.

Principal risks and uncertainties

Compliance with regulation, legal and ethical standards is of utmost importance for the company. The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls.

Financial instruments

Objectives and policies

Regulatory Risk

The firm ensures that it remains compliant with all existing regulation and that new regulation is accurately interpreted and planned for. Mr Matthew Hill is the present Head of Compliance and MLRO. He has earlier performed similar roles for more than 20 years with financial institutions in the UK and Europe. Mr Hill chairs the Risk Committee of the firm.

Sapien Capital Limited

Strategic Report for the Year Ended 10 September 2022 (continued)

Credit Risk

This risk is now limited to the extent of the fees payable to the firm from the clients for corporate finance activities. The firm has in place standard templates for the engagement of various corporate finance assignments from the clients and the engagement letters are binding on the clients for the payment of fees as per the deliverables. In case of Equity and Bonds transactions the Engagement Letters stipulate the requirement of escrowing the fees from the subscription money(s).

Liquidity Risk

As the firm is not carrying on any clearing and settlement or broking activities, the liquidity risk is only limited to the cost of operations for which the firm keeps a tight control and ensures that the liquidity is available before committing the firm to any cost.

Market Risk

The Market risk is limited to the foreign exchange exposures which the firm carries on its balance sheet. Market risk is therefore minimal and not material.

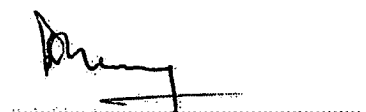
Operational Risk

Operational risks, including the risk of fraud, business continuity, third party dependency, key staff and IT security, are controlled by a wide variety of internal controls, the effectiveness of which are reviewed by the Risk Committee and the Board through monitoring of the risk register. The Firm has an overall risk assessment framework in place. Operational risks have been defined and mitigated with systems and controls and the residual risks are perceived as low.

Business Risk

This risk is mitigated by having a relatively low cost based structure and a diversified client base.

This report was approved by the Board on 4 January 2023 and signed on its behalf by:



Mr R K Ahuja
Director

Sapien Capital Limited

Directors' Report for the Year Ended 10 September 2022

The directors present their report and the financial statements for the year ended 10 September 2022.

Directors of the company

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

Mr R K Ahuja

Ms A Aggarwal

Going concern

At the time of approving these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are willing to provide the necessary financial support as required. Accordingly, these financial statements have been prepared on a going concern basis.

Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of KNAV Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board on 4 January 2023 and signed on its behalf by:



Mr R K Ahuja
Director

Sapien Capital Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sapien Capital Limited

Independent Auditor's Report to the Members of Sapien Capital Limited

Opinion

We have audited the financial statements of Sapien Capital Limited (the 'company') for the year ended 10 September 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 10 September 2022 and of its 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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Sapient Capital Limited

Independent Auditor's Report to the Members of Sapient Capital Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Sapien Capital Limited

Independent Auditor's Report to the Members of Sapien Capital Limited (continued)

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102, FCA regulation and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- enquiry of management and review and inspection of relevant correspondence regarding claims;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

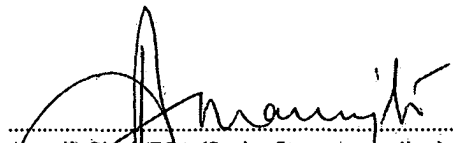
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Sapient Capital Limited

Independent Auditor's Report to the Members of Sapient Capital Limited (continued)

Use of our report

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


.....
Amanjit Singh FCA (Senior Statutory Auditor)
For and on behalf of KNAV Limited, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Date: 04/01/2023

Sapien Capital Limited

Profit and Loss Account for the Year Ended 10 September 2022

	Note	2022 £	2021 £
Revenue	4	<u>231,500</u>	<u>270,583</u>
Gross profit		231,500	270,583
Administrative expenses		(231,682)	(426,117)
Other operating income/(expenses)		<u>-</u>	<u>93,193</u>
Operating loss	5	<u>(182)</u>	<u>(62,341)</u>
Other interest receivable and similar income	6	570	67,336
Interest payable and similar expenses	7	<u>-</u>	<u>(4,459)</u>
		<u>570</u>	<u>62,877</u>
Profit before tax		388	536
Tax on profit	11	<u>-</u>	<u>999</u>
Profit for the financial year		<u><u>388</u></u>	<u><u>1,535</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

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

Sapien Capital Limited

Statement of Comprehensive Income for the Year Ended 10 September 2022

	2022	2021
	£	£
Profit for the year	<u>388</u>	<u>1,535</u>
Total comprehensive income for the year	<u><u>388</u></u>	<u><u>1,535</u></u>

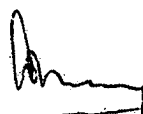
The notes on pages 15 to 28 form an integral part of these financial statements.

Sapien Capital Limited

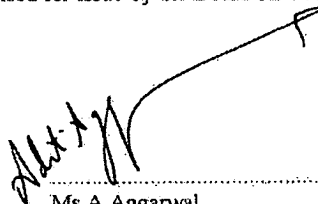
**(Registration number: 06407856)
Balance Sheet as at 10 September 2022**

	Note	2022 £	2021 £
Fixed assets			
Investments	13	27,830	27,830
Other financial assets	14	<u>1</u>	<u>1</u>
		<u>27,831</u>	<u>27,831</u>
Current assets			
Debtors	15	527,029	596,387
Cash at bank and in hand	16	<u>154,621</u>	<u>161,333</u>
		681,650	757,720
Creditors: Amounts falling due within one year	17	<u>(99,193)</u>	<u>(128,739)</u>
Net current assets		<u>582,457</u>	<u>628,981</u>
Total assets less current liabilities		610,288	656,812
Creditors: Amounts falling due after more than one year	17	<u>(247,607)</u>	<u>(294,519)</u>
Net assets		<u>362,681</u>	<u>362,293</u>
Capital and reserves			
Called up share capital	19	220,000	220,000
Share premium reserve		20,000	20,000
Profit and loss account		<u>122,681</u>	<u>122,293</u>
Shareholders' funds		<u>362,681</u>	<u>362,293</u>

These financial statements were approved and authorised for issue by the Board on 4 January 2023 and signed on its behalf by:



Mr R K Ahuja
Director



Ms A Aggarwal
Director

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

Statement of Changes in Equity for the Year Ended 10 September 2022

	Share capital £	Share premium £	Profit and loss account £	Total £
At 11 September 2020	220,000	20,000	120,758	360,758
Profit for the year	-	-	1,535	1,535
At 10 September 2021	<u>220,000</u>	<u>20,000</u>	<u>122,293</u>	<u>362,293</u>
	Share capital £	Share premium £	Profit and loss account £	Total £
At 11 September 2021	220,000	20,000	122,293	362,293
Profit for the year	-	-	388	388
At 10 September 2022	<u>220,000</u>	<u>20,000</u>	<u>122,681</u>	<u>362,681</u>

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

Sapien Capital Limited

Statement of Cash Flows for the Year Ended 10 September 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		388	1,535
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	-	21,927
Finance income	6	(570)	(67,336)
Finance costs	7	-	4,459
Income tax expense	11	-	(999)
Foreign exchange gains/losses		<u>(70,806)</u>	<u>17,071</u>
		(70,988)	(23,343)
Working capital adjustments			
Decrease in trade debtors	15	69,358	79,536
(Decrease)/increase in trade creditors	17	<u>(5,652)</u>	<u>18,058</u>
Net cash flow from operating activities		<u>(7,282)</u>	<u>74,251</u>
Cash flows from investing activities			
Interest received	6	570	113
Dividend income	6	<u>-</u>	<u>67,223</u>
Net cash flows from investing activities		570	67,336
Cash flows from financing activities			
Interest paid	7	<u>-</u>	<u>(4,459)</u>
Net (decrease)/increase in cash and cash equivalents		(6,712)	137,128
Cash and cash equivalents at 11 September		<u>161,333</u>	<u>24,205</u>
Cash and cash equivalents at 10 September		<u><u>154,621</u></u>	<u><u>161,333</u></u>

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

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022

1 General information

Sapien Capital Limited is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

169 Piccadilly

4th Floor

London

W1J 9EH

England

These financial statements were authorised for issue by the Board on 4 January 2023.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Group accounts not prepared

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern

At the time of approving these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are willing to provide the necessary financial support as required. Accordingly, these financial statements have been prepared on a going concern basis.

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

2 Accounting policies (continued)

Revenue recognition

Revenue, which is stated net of VAT, is attributable to two income streams. The provision of corporate finance services is recognised on the date of completion of the transaction. Fees in respect of aborted transactions are negotiated on a case by case basis. The company provides stockbroking services. A transaction fee is agreed at the initial engagement, which is recognised at the date of the transaction.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease s asset are consumed.

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.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax.

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

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

2 Accounting policies (continued)

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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
Fixtures, fittings and equipment	25% Reducing balance basis

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a longterm interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

2 Accounting policies (continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

2 Accounting policies (continued)

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.

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.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

2 Accounting policies (continued)

Financial instruments

Classification

The company only enters into basic financial instruments 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 and loans from related parties.

Recognition and measurement

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, 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 creditors or debtors, 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 of financed at a rate of interest that is not a market rate or in case of an out-right short term loan not at a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Impairment

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 Profit and loss account.

For financial assets measured as 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 discounted rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Rendering of services	<u>231,500</u>	<u>270,583</u>

The analysis of the company's revenue for the year by market is as follows:

	2022	2021
	£	£
United Kingdom	-	270,583
Rest of world	<u>231,500</u>	<u>-</u>
	<u>231,500</u>	<u>270,583</u>

5 Operating loss

Arrived at after charging/(crediting)

	2022	2021
	£	£
Foreign exchange (gains)/losses	(70,806)	17,071
Depreciation expense	-	21,927
Impairment loss	-	6,525
Operating lease expense - property	<u>(607)</u>	<u>38,327</u>

6 Other interest receivable and similar income

	2022	2021
	£	£
Interest income on bank deposits	570	113
Dividend income	<u>-</u>	<u>67,223</u>
	<u>570</u>	<u>67,336</u>

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	<u>-</u>	<u>4,459</u>

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	192,889	105,832
Social security costs	18,055	7,329
Pension costs, defined contribution scheme	3,211	2,409
	<u>214,155</u>	<u>115,570</u>

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

	2022	2021
	No.	No.
Administration and support	3	4
	<u>3</u>	<u>4</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	132,500	70,277
Contributions paid to money purchase schemes	1,897	1,015
	<u>134,397</u>	<u>71,292</u>

10 Auditors' remuneration

	2022	2021
	£	£
Fees payable to the company's auditor:		
Audit of the financial statements	<u>5,000</u>	<u>4,500</u>

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

11 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Arising from origination and reversal of timing differences	-	(999)
Tax receipt in the income statement	-	(999)

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021: the same as the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	388	536
Corporation tax at standard rate	74	102
Effect of expense not deductible in determining taxable profit (tax loss)	8,699	35,059
Effect of tax losses	(8,773)	(26,555)
Deferred tax credit from unrecognised temporary difference from a prior period	-	(999)
Tax increase from effect of capital allowances and depreciation	-	4,166
Tax decrease from effect of dividends from UK companies	-	(12,772)
Total tax credit	-	(999)

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost			
At 11 September 2021	50,000	32,855	82,855
Disposals	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
At 10 September 2022	<u>-</u>	<u>32,855</u>	<u>32,855</u>
Depreciation			
At 11 September 2021	50,000	32,855	82,855
Eliminated on disposal	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
At 10 September 2022	<u>-</u>	<u>32,855</u>	<u>32,855</u>
Carrying amount			
At 10 September 2022	<u>-</u>	<u>-</u>	<u>-</u>

Included within the net book value of land and buildings above is £Nil (2021: £Nil) in respect of short leasehold land and buildings.

Sapient Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

13 Investments

	2022 £	2021 £
Investments in subsidiaries	<u>27,830</u>	<u>27,830</u>
Subsidiaries		£
Cost or valuation		
At 11 September 2021		<u>27,830</u>
Carrying amount		
At 10 September 2022		<u>27,830</u>
At 10 September 2021		<u>27,830</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Sapien Capital (Mauritius) Ltd	Mauritius	Ordinary	100%	100%

Subsidiary undertakings

Sapient Capital (Mauritius) Ltd

The principal activity of Sapient Capital (Mauritius) Ltd is that of fund manager.

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

14 Other financial assets (current and non-current)

	Financial assets at cost less impairment £
Non-current financial assets	
Cost	
At 11 September 2021	1
At 10 September 2022	1
Carrying amount	
At 10 September 2022	1
At 10 September 2021	1

15 Debtors

	2022 £	2021 £
Current		
Trade debtors	526,637	535,642
Other debtors	392	60,745
	<u>527,029</u>	<u>596,387</u>

16 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	<u>154,621</u>	<u>161,333</u>

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

17 Creditors

	2022 £	2021 £
Due within one year		
Social security and other taxes	905	1,020
Outstanding defined contribution pension costs	177	185
Other creditors	79,970	32,409
Accrued expenses	<u>18,141</u>	<u>95,125</u>
	<u>99,193</u>	<u>128,739</u>
Due after one year		
Other creditors	<u>247,607</u>	<u>294,519</u>

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £3,211 (2021: £2,409).

Contributions totalling £177 (2021: £185) were payable to the scheme at the end of the year and are included in creditors.

19 Share capital

Allotted, called up and fully paid shares

	2022 No.	£	2021 No.	£
Ordinary shares of £1 each	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>

20 Contingent liabilities

The company has agreed to repay other creditors by way of repayment and share of profits when the company is profitable. In the next four profitable years, 80% of the profit is payable and in year 5 only 50% of the profit will be payable to one creditor.

Sapien Capital Limited

Notes to the Financial Statements for the Year Ended 10 September 2022 (continued)

21 Controlling party

There is no one controlling party.

Companies House
Crown Way
Cardiff
CF14 3UZ

Our Ref: AS/NB/QUE01

5th January 2023

Dear Sirs,

Re: Quest Global Engineering Limited
Co No. 07661210

Please find enclosed herewith the Financial Statements under FRS 101 for the year ended 31 March 2022 in respect of our above named client.

Yours faithfully,


KNAV Limited

KNAV is a trading name of KNAV LIMITED

Registered in England & Wales | Company number: 03215471 | VAT number: 295 6311 80
Registered office: Hygeia Building, Ground Floor, 66-68 College Road, Harrow, Middlesex, HA1 1BE, UK
Phone: +44 (0) 203 9678 150 | Email: aman.singh@knacpa.com

Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England & Wales
List of directors is available at the registered address

