Registered number: 06445926

AGC EQUITY PARTNERS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

AGC EQUITY PARTNERS LIMITED

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AGC EQUITY PARTNERS LIMITED

COMPANY INFORMATION

DIRECTORS	Walid Abu-Suud Khalil Amiouni
COMPANY SECRETARY	M & N Group Limited
REGISTERED NUMBER	06445926
REGISTERED OFFICE	33 Davies Street London W1K 4BP
INDEPENDENT AUDITORS	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
BANKERS	Lloyds TSB Bank PLC 8/10 Waterloo Place London SW1Y 4BE

The directors present their strategic report on the Company for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the year was the provision of investment advisory and asset management services. The Company is authorised and regulated by the Financial Conduct Authority (FCA) within the United Kingdom, where the principal activities of the business are conducted.

RESULTS AND PERFORMANCE

The Company recorded a profit after tax of £520,710 (2021 - £672,820) for the year and had a net asset position of £7,274,058 (2021 - £6,753,348) at the year end. The financial performance of the Company during 2022 is encouraging considering the continued uncertain economic conditions. The directors are of the opinion that the future prospects of the company remain positive and it will continue as a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the company would be a significant reduction of its investment advisory income which is dependent upon the success and asset base of its clients. The company continually reviews this risk and takes any action deemed necessary. At present, the directors do not foresee significant uncertainties in relation to the company's income for the next 12 months.

BUSINESS ENVIRONMENT AND FUTURE DEVELOPMENTS

The company operates within the financial sector, with its main focus being the UK, Western Europe and the US.

Following periods of prolonged public health restrictions aimed at controlling the coronavirus outbreak, the US and European governments relaxed restrictions at the beginning of 2022 in order to stimulate economic recovery. The sharp increase in demand for goods and energy contributed to high global inflation during 2022, with inflation reaching levels not seen since the global financial crisis of 2008. Global inflation during 2022 was partly driven by disruptions to Russia's supply of oil and gas to Europe following the invasion of Ukraine.

To battle global inflation the major central banks raised interest rates during 2022, with the US, Eurozone and UK witnessing sharp interest rate hikes throughout the second half of 2022. The rapid tightening of financial conditions during 2022 has led to strains on the global markets as investors became more risk adverse amid the economic uncertainty.

Global GDP growth remained low in 2022 with tightening financial conditions in most regions and the lingering coronavirus pandemic stalling growth. Global GDP growth is forecasted to remain weak in 2023, largely driven by major Asian emerging-market economies whilst growth in the US and Europe remains slow. China's zero-covid policy complicated the global economic recovery as key supply chains remained disrupted, however China's reopening in 2023 is expected to contribute significantly to global GDP growth.

The success of the company will rely on its ability to continue providing investment advisory and asset management services. Due to the uncertain global economic landscape, the demand for the company's services and expertise is expected to grow further.

KEY PERFORMANCE INDICATORS

The Company considers profit to be its key performance indicator where it achieved profit after tax of £520,710 (2021 - £672,820).

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

Walid Abu-Suud
Director
Date: 6 April 2023

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £520,710 (2021 - £672,820).

The directors have not recommended a dividend.

DIRECTORS

The directors who served during the year were:

Walid Abu-Suud
Khalil Amiouni

FINANCIAL INSTRUMENTS

Details of the Company's financial risk management objectives and policies are included in note 14 of the financial statements.

MATTERS COVERED IN THE STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006, the Company has chosen to include information in relation to future developments in the Company's strategic report.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved confirmed that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Walid Abu-Suud
Director

Date: 6 April 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGC EQUITY PARTNERS LIMITED

OPINION

We have audited the financial statements of AGC Equity Partners Limited (the 'Company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, 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 Directors' Responsibilities Statement set out on page 4, 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.

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and FRS 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Money Laundering Regulations, FCA Regulations, health and safety regulations and employment law.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition and management override.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing revenue recognition on a sample basis;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the company's operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Company's shareholders, 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Banks

Stephen Banks (Senior Statutory Auditor)
for and on behalf of
Lubbock Fine LLP
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Date: 06 April 2023

AGC EQUITY PARTNERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	14,609,948	18,029,212
Gross profit		14,609,948	18,029,212
Administrative expenses		(13,900,319)	(17,144,732)
Operating profit	5	709,629	884,480
Interest receivable and similar income		312	1
Interest payable and similar expenses		(4,510)	(1,004)
Profit before tax		705,431	883,477
Tax on profit	8	(184,721)	(210,657)
Profit for the financial year		520,710	672,820

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

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

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	9		492,370		738,215
			492,370		738,215
Current assets					
Debtors: amounts falling due after more than one year	10	840,441		840,441	
Debtors: amounts falling due within one year	10	7,656,503		6,001,756	
Cash at bank and in hand	11	681,646		4,418,958	
		9,178,590		11,261,155	
Creditors: amounts falling due within one year	12	(1,897,651)		(4,843,206)	
Net current assets			7,280,939		6,417,949
Total assets less current liabilities			7,773,309		7,156,164
Provisions for liabilities					
Deferred tax	16	(1,443)		-	
Other provisions	17	(497,808)		(402,816)	
			(499,251)		(402,816)
Net assets			7,274,058		6,753,348
Capital and reserves					
Called up share capital	22		718,001		718,001
Share premium account	21		566,828		566,828
Profit and loss account	21		5,989,229		5,468,519
			7,274,058		6,753,348

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

Walid Abu-Suud
Director

Date: 6 April 2023

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

AGC EQUITY PARTNERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 January 2021	718,001	566,828	4,795,699	6,080,528
Profit for the year	-	-	672,820	672,820
At 1 January 2022	718,001	566,828	5,468,519	6,753,348
Profit for the year	-	-	520,710	520,710
At 31 December 2022	718,001	566,828	5,989,229	7,274,058

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

AGC EQUITY PARTNERS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the financial year		520,710	672,820
Adjustments for:			
Depreciation of tangible assets		253,328	254,135
Interest paid		4,510	1,004
Interest received		(312)	(1)
Taxation charge		184,721	210,657
(Increase) in debtors		(68,288)	(2,184)
(Increase)/decrease in amounts owed by groups		(1,586,460)	2,601,641
(Decrease) in creditors		(2,925,771)	(40,278)
Increase in provisions		94,992	4,140
Corporation tax (paid)		(203,061)	(214,899)
Net cash generated from operating activities		(3,725,631)	3,487,035
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,483)	(26,544)
Interest received		312	1
Net cash from investing activities		(7,171)	(26,543)
Cash flows from financing activities			
Interest paid		(4,510)	(1,004)
Net cash used in financing activities		(4,510)	(1,004)
Net (decrease)/increase in cash and cash equivalents		(3,737,312)	3,459,488
Cash and cash equivalents at beginning of year		4,418,958	959,470
Cash and cash equivalents at the end of year		681,646	4,418,958
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand	11	681,646	4,418,958
		681,646	4,418,958

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

AGC EQUITY PARTNERS LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	4,418,958	(3,737,312)	681,646
	4,418,958	(3,737,312)	681,646

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

1. GENERAL INFORMATION

AGC Equity Partners Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. Its principal place of business and registered office is 33 Davies Street, London, W1K 4BP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The Company meets its day-to-day working capital requirements through the support of its parent undertaking and its wider group. The directors believe that it is appropriate to prepare the financial statements on a going concern basis which assumes the company will continue in operational existence with the support of the parent undertaking and the wider group.

Should the Company be unable to continue in operational existence for the foreseeable future, adjustments may be necessary to reduce the carrying value of assets to their recoverable amount, to provide for any additional liabilities that may arise, and to reclassify fixed assets as current assets.

2.3 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover shown in the Profit and Loss Account is measured as the fair value of the consideration received or receivable from services provided, excluding discounts, rebates, value added tax and other sales taxes.

2.4 TANGIBLE FIXED ASSETS

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

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

2. ACCOUNTING POLICIES (continued)

2.4 TANGIBLE FIXED ASSETS (continued)

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

Depreciation is provided on the following basis:

Leasehold improvements	- Life of the lease
Fixtures and fittings	- 25% Straight line
Computer and office equipment	- 25% Straight line

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

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

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases, and any benefits received as an incentive to sign an operating lease, are charged to the profit or loss on a straight line basis over the period of the lease.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Prepayments are recognised at the amount prepaid net of any trade discounts. Deposits are recognised at the amount initially paid and then subsequently the amount expected to be received.

2.7 CASH AND CASH EQUIVALENTS

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 CREDITORS

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

2. ACCOUNTING POLICIES (continued)

2.9 PROVISIONS FOR LIABILITIES

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

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

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

2.10 PENSIONS

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. ACCOUNTING POLICIES (continued)

2.11 FINANCIAL INSTRUMENTS

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

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

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

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

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

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

2. ACCOUNTING POLICIES (continued)

2.12 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.13 CURRENT AND DEFERRED TAXATION

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no key sources of estimation uncertainty or judgments.

4. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	253,328	254,135
Exchange differences	(6,560)	790
Other operating lease rentals	1,197,143	1,197,143
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16,000	16,000
Defined contribution pension cost	111,900	108,400

6. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	16,000	16,000
Fees payable to the Company's auditors and their associates in respect of:		
All other services	4,307	4,373

7. EMPLOYEES

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	8,360,858	11,633,727
Social security costs	1,166,894	1,588,682
Cost of defined contribution scheme	111,900	108,400
	9,639,652	13,330,809

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

	2022 No.	2021 No.
Number of administrative staff	33	31

8. TAXATION

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	175,331	204,226
Adjustments in respect of previous periods	(1,150)	-
Total current tax	174,181	204,226
Deferred tax		
Accelerated capital allowance	10,540	6,431
Total deferred tax	10,540	6,431
Taxation on profit on ordinary activities	184,721	210,657

8. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	705,431	883,477
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	134,032	167,855
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,523	5,535
Capital allowances for year in excess of depreciation	36,430	31,254
Adjustments to tax charge in respect of prior periods	(1,150)	-
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(1,654)	(418)
Movement in deferred tax	10,540	6,431
Total tax charge for the year	184,721	210,657

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Computer and office equipment £	Total £
Cost or valuation				
At 1 January 2022	2,303,621	535,228	245,486	3,084,335
Additions	-	-	7,483	7,483
Disposals	-	-	(64,382)	(64,382)
At 31 December 2022	2,303,621	535,228	188,587	3,027,436
Depreciation				
At 1 January 2022	1,597,853	533,005	215,262	2,346,120
Charge for the year on owned assets	240,303	893	12,132	253,328
Disposals	-	-	(64,382)	(64,382)
At 31 December 2022	1,838,156	533,898	163,012	2,535,066
Net book value				
At 31 December 2022	465,465	1,330	25,575	492,370
At 31 December 2021	705,768	2,223	30,224	738,215

10. DEBTORS

	2022 £	2021 £
Due after more than one year		
Other debtors	840,441	840,441

	2022 £	2021 £
Due within one year		
Amounts owed by group undertakings	6,863,301	5,276,841
Other debtors	152,187	72,269
Prepayments and accrued income	641,015	643,549
Deferred taxation	-	9,097
	7,656,503	6,001,756

11. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	681,646	4,418,958

12. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	131,346	28,638
Corporation tax	178,408	198,191
Other taxation and social security	1,126,109	3,571,851
Other creditors	399,290	580,760
Accruals and deferred income	62,498	463,766
	1,897,651	4,843,206

13. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets		
Cash at bank and in hand	681,646	4,418,958
Financial assets that are debt instruments measured at amortised cost	7,719,790	6,126,041
	8,401,436	10,544,999
Financial liabilities		
Financial liabilities measured at amortised cost	(593,134)	(708,332)

Financial assets that are debt instruments measured at amortised cost comprise of amounts owed by group undertakings and other debtors excluding VAT recoverable.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise of borrowings, cash and liquid resources, and various items such as debtors and creditors that arise directly from its operations.

The company's activities expose it to a variety of risks: currency risk, interest rate risk, credit risk and liquidity risk. Risk management is carried out by the directors where they seek to minimise potential adverse effects impacting on the company's financial performance.

Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company does not have significant exposure to currency risk.

Interest rate risk

The company is exposed to risk associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial instruments and future cashflows. Other than cash held in deposit accounts the company does not have any significant exposure to interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will be unwilling to meet a commitment that it has entered into with the company.

Credit risk arises from cash and cash equivalents, and trade and other receivables.

The directors consider that the company does not have significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the company will encounter problems in realising or otherwise raising funds to meet financial commitments.

Cash flow forecasting is performed by the company and the directors monitor the company's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

15. MANAGEMENT OF CAPITAL AND PILLAR 3 REQUIREMENT

The company manages its capital in accordance with the Capital Requirements Directive and Financial Conduct Authority (FCA) rules relating thereto. As a part of the latter the company has instituted an Internal Capital and Risk Assessment (ICARA) process by which its capital adequacy is managed.

During the years ended 31 December 2022 and 2021 the company's regulatory capital resources, defined as equity, have been maintained at levels in accordance with requirements as set out by the FCA and the ICARA review.

The company's unaudited Pillar 3 report and MIFIDPRU 8 disclosure for the year ended 31 December 2022 is disclosed on the company's website.

16. DEFERRED TAXATION

	2022 £	2021 £
At beginning of year	9,097	15,528
Credit to the profit or loss	(10,540)	(6,431)
At 31 December 2021	(1,443)	9,097

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(1,443)	9,097

17. PROVISIONS

	Dilapidations provision £
At 1 January 2022	402,816
Charged to profit or loss	94,992
At 31 December 2022	497,808

18. PENSION COMMITMENTS

The company maintains a pension scheme for employees of the company. The scheme operates on a defined contribution money purchase basis and the contributions are charged to the profit and loss account as they arise. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company for the year were £111,900 (2021 - £108,400). Included in Other debtors at the year end were pension contributions of £4,258 (2021- Other creditors - £8,704).

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	1,374,070	1,374,070
Later than 1 year and not later than 5 years	1,374,070	2,748,140
	2,748,140	4,122,210

20. RELATED PARTY TRANSACTIONS

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

Management and advisory fees of £14,609,948 (2021 - £18,029,212) were received from other related parties.

	2022 £	2021 £
Entities with control, joint control or significant influence over the entity		
Amounts due from such entities	5,526,769	4,720,113
Other related parties		
Amounts due from other related parties	1,336,532	556,728

Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances with related entities are unsecured, interest free and repayable on demand.

Key management personnel

Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors. There were no amounts paid to key management personnel during the year (2021 - £nil).

21. RESERVES

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses, less dividends paid.

22. SHARE CAPITAL

	2022 £	2021 £
Allotted, called up and fully paid		
718,001 (2021 - 718,001) Ordinary shares of £1.00 each	718,001	718,001

23. CONTROLLING PARTY

The parent company is AGC Equity Partners Investment Management Limited, a company incorporated in the Cayman Islands.

The directors consider that AGC Equity Partners Holding Limited, a company incorporated in the Cayman Islands, to be the ultimate parent company.