

Company registration number 06462818 (England and Wales)

LONDON WEALTH MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

LONDON WEALTH MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	J P Hoban B J Howland E T Tudor
Secretary	J P Hoban
Company number	06462818
Registered office	Trinity Court Church Street Rickmansworth WD3 1RT
Auditor	Mercer & Hole LLP Trinity Court Church Street Rickmansworth WD3 1RT
Business address	22 Soho Square 2nd Floor London W1D 4NS

LONDON WEALTH MANAGEMENT LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 23

LONDON WEALTH MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors present the strategic report for the year ended 31 January 2023.

Fair review of the business

The financial year ended 31 January 2023 has proved a good year for the business, resulting in an 4% increase in revenues, taking total turnover to over £2.5m for the year. Client portfolios continued to perform strongly against benchmarks, remaining within the agreed asset allocated risk mandate, combined with a strong new business in-flows. We maintain our commitment to face-to-face meetings where possible with the general return to office working after the pandemic, but retain the ability to conduct detailed planning meetings on line.

Principal risks

As of 1 January 2022 the Financial Conduct Authority (FCA) has brought in the new Investment Firms Prudential Regime (IFPR); as a result a revised calculation on capital adequacy and access to immediate funds has been required, both of which we comfortably adhere to. LWM continues to operate on a conservative outlook, retaining significant cash reserves well in excess of our minimum requirements:

- **Capital adequacy:** as part of the IFPR our revised regulations require a new reporting methodology, ICARA (Internal Capital Adequacy and Risk Assessment). The FCA now require reporting on the Basic Liquid Assets Requirements (BLAR) and the Liquid Assets Threshold Requirement.
- **Asset allocation and adherence to investment risk mandates:** we continue to improve internal systems to ensure we have ready information for the investment managers to use and ensure mandates remain within agreed asset allocation parameters.
- **Office re-location:** with extensive redevelopment works now agreed beside our Kingly Street offices, we have moved location to ensure the ability to work in the office without noise interruption.

Given current global issues resulting in major investment market movements, we retain a strong cash reserve to cover for all eventualities. The Board continues to evaluate risks on a constant and rolling basis through our robust risk analysis measurements.

Key performance indicators

Internal management accounts and cash-flow forecasts are reviewed on a monthly basis and remain a sufficient and suitable indicator of our underlying business position and performance; it also allows us to comply with the ICARA requirement of revised quarterly Balance Sheet and Profit & Loss reporting to the FCA.

Future outlook

The move to a larger premises will allow a modest increase in staff when required as well as dealing with modest increases in clients, who require a bespoke financial planning led discretionary investment management service.

LONDON WEALTH MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

S172 statement

The directors take their duties and responsibilities for managing the company seriously and the directors have applied the requirements of section 172.

In considering the likely long-term consequences of any strategic decisions they make, the directors recognise their understanding of the business and the evolving environment in which the company operates is critical. Through their day-to-day involvement in the business, the directors are able to keep pace with the changes and challenges faced and can ensure this is incorporated into their strategic plans.

By providing a safe and secure working environment for employees, the directors are mindful that the company's employees are fundamental and core to the business and delivery of the Board's strategic plans. The success of the business depends on attracting, developing, retaining and motivating employees. Delivering the strategy also requires good relationships with suppliers, clients, governments and local communities and the directors work continuously to achieve this.

In order to maintain the company's reputation for high standards of business conduct the directors review and approve clear plans, policies and frameworks periodically, and regular compliance reviews so they can ensure that those high standards are maintained across all relationships, internally and externally. This is complemented by the way the directors monitor ongoing changes with governance standards and adapt the company's policies and procedures to reflect those that are relevant to the size and industry of the business.

Finally, the directors recognise their role is key through not just their words but their own actions in ensuring the desired culture is embedded in the values, attitudes and behaviours the company demonstrates through its external activities and stakeholder relationships.

On behalf of the board

J P Hoban
Director

14 March 2023

LONDON WEALTH MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors present their annual report and financial statements for the year ended 31 January 2023.

Principal activities

The principal activity of the company continued to be that of provision of financial services.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £564,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J P Hoban
B J Howland
E T Tudor

Research and development

London Wealth Management Limited have undertaken Research & Development expenditure in the year relating to essential web based software which collates client information from other systems and presents this information in a client friendly report. Other 'off the shelf' systems are unable to provide the bespoke requirements of London Wealth Management Limited, relating to servicing client portfolios and providing financial planning advice. This uniquely developed system, provides the evidence to both clients and the FCA that the company's obligations in this area are well met.

Auditor

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Other matters

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

LONDON WEALTH MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

On behalf of the board

J P Hoban

Director

14 March 2023

LONDON WEALTH MANAGEMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors are responsible 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 then apply them consistently;
- make judgements 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 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.

LONDON WEALTH MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LONDON WEALTH MANAGEMENT LIMITED

Opinion

We have audited the financial statements of London Wealth Management Limited (the 'company') for the year ended 31 January 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 January 2023 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's 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 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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

LONDON WEALTH MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LONDON WEALTH MANAGEMENT LIMITED

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 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, 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's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006, FCA regulations and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- review correspondence with the FCA for evidence of breaches;
- review cash book transactions for evidence of client asset holding in breach of FCA permissions;
- identifying and testing journal entries.

LONDON WEALTH MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LONDON WEALTH MANAGEMENT LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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.

Mark Cassidy FCA
Senior Statutory Auditor
For and on behalf of Mercer & Hole LLP

14 March 2023

Chartered Accountants
Statutory Auditor

Trinity Court
Church Street
Rickmansworth
WD3 1RT

LONDON WEALTH MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2023

		2023	2022
	Notes	£	£
Turnover	2	2,474,098	2,388,602
Administrative expenses		(1,470,818)	(1,319,143)
Operating profit	3	1,003,280	1,069,459
Interest receivable and similar income	7	2,940	955
Profit before taxation		1,006,220	1,070,414
Tax on profit	8	(208,046)	(210,850)
Profit for the financial year		798,174	859,564

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

LONDON WEALTH MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		13,878		41,080
Current assets					
Debtors	11	58,004		14,457	
Cash at bank and in hand		1,589,162		1,399,218	
		<u>1,647,166</u>		<u>1,413,675</u>	
Creditors: amounts falling due within one year	12	<u>(334,442)</u>		<u>(362,327)</u>	
Net current assets			1,312,724		1,051,348
Net assets			<u>1,326,602</u>		<u>1,092,428</u>
Capital and reserves					
Called up share capital	15	150,000		150,000	
Profit and loss reserves		1,176,602		942,428	
Total equity		<u>1,326,602</u>		<u>1,092,428</u>	

The financial statements were approved by the board of directors and authorised for issue on 14 March 2023 and are signed on its behalf by:

J P Hoban
Director

B J Howland
Director

Company Registration No. 06462818

LONDON WEALTH MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 February 2021		150,000	646,864	796,864
Year ended 31 January 2022:				
Profit and total comprehensive income for the year		-	859,564	859,564
Dividends	9	-	(564,000)	(564,000)
Balance at 31 January 2022		150,000	942,428	1,092,428
Year ended 31 January 2023:				
Profit and total comprehensive income for the year		-	798,174	798,174
Dividends	9	-	(564,000)	(564,000)
Balance at 31 January 2023		150,000	1,176,602	1,326,602

LONDON WEALTH MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	19	969,243		1,116,185	
Income taxes paid		(213,650)		(172,078)	
Net cash inflow from operating activities		<u>755,593</u>		<u>944,107</u>	
Investing activities					
Purchase of tangible fixed assets		(4,923)		(4,435)	
Proceeds on disposal of tangible fixed assets		(1)		-	
Issue of other loans		335		3,479	
Interest received		2,940		955	
Net cash used in investing activities		<u>(1,649)</u>		<u>(1)</u>	
Financing activities					
Dividends paid		(564,000)		(564,000)	
Net cash used in financing activities		<u>(564,000)</u>		<u>(564,000)</u>	
Net increase in cash and cash equivalents		<u>189,944</u>		<u>380,106</u>	
Cash and cash equivalents at beginning of year		1,399,218		1,019,112	
Cash and cash equivalents at end of year		<u><u>1,589,162</u></u>		<u><u>1,399,218</u></u>	

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

Company information

London Wealth Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is Trinity Court, Church Street, Rickmansworth, WD3 1RT.

1.1 Accounting convention

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.

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 £.

The financial statements have been prepared under the principal accounting policies adopted as set out below. These policies have been consistently applied to all years presented.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents invoiced sales of financial services, excluding value added tax.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the five year lease
Fixtures, fittings & equipment	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 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 profit or loss.

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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.

1.6 Cash and cash equivalents

Cash at bank and in hand 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.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 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.

1.9 Taxation

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

Current 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.

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

Deferred tax

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.

1.10 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.

1.11 Retirement benefits

All pension costs relate to contributions the company makes into personal pension schemes. Contributions payable are charged to the profit and loss account in the period to which they relate.

1.12 Share-based payments

The Company granted 8,334 share options during the period at an exercise price of £5.16. The options may only be exercised if the Company's signed financial statements for any financial year ending on or after 31 January 2023 states that the Company's turnover was £5,000,000 or more.

1.13 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 leases asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover analysed by class of business		
Financial services	2,474,098	2,388,602

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

2	Turnover and other revenue	(Continued)	
		2023	2022
		£	£
	Other revenue		
	Interest income	2,940	955
		<u> </u>	<u> </u>
3	Operating profit	2023	2022
		£	£
	Operating profit for the year is stated after charging:		
	Depreciation of owned tangible fixed assets	5,304	16,281
	Loss on disposal of tangible fixed assets	26,822	-
	Operating lease charges	112,862	90,052
		<u> </u>	<u> </u>
4	Auditor's remuneration	2023	2022
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the company	9,600	6,000
		<u> </u>	<u> </u>
	For other services		
	Taxation compliance services	750	750
	Other taxation services	2,675	14,200
	All other non-audit services	2,358	6,588
		<u> </u>	<u> </u>
		5,783	21,538
		<u> </u>	<u> </u>
5	Employees		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		2023	2022
		Number	Number
	Directors	3	3
	Employees	10	10
		<u> </u>	<u> </u>
	Total	13	13
		<u> </u>	<u> </u>

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

5 Employees (Continued)

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	667,521	588,136
Social security costs	77,495	62,051
Pension costs	118,750	180,045
	<u>863,766</u>	<u>830,232</u>

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	45,730	42,111
Company pension contributions to defined contribution schemes	60,000	120,000
	<u>105,730</u>	<u>162,111</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022: 3).

7 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	1,601	955
Other interest income	1,339	-
	<u>2,940</u>	<u>955</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>1,601</u>	<u>955</u>
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8 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	205,408	211,012
Adjustments in respect of prior periods	2,638	(162)
	<u>208,046</u>	<u>210,850</u>

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	1,006,220	1,070,414
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	191,182	203,379
Tax effect of expenses that are not deductible in determining taxable profit	9,666	5,382
Change in unrecognised deferred tax assets	-	2,089
Permanent capital allowances in excess of depreciation	(491)	-
Research and development tax credit	(91)	-
Under/(over) provided in prior years	2,638	-
Movement in unrecognised deferred tax	5,142	-
	<u> </u>	<u> </u>
Taxation charge for the year	208,046	210,850
	<u> </u>	<u> </u>

9 Dividends

	2023	2022
	£	£
Interim paid	564,000	564,000
	<u> </u>	<u> </u>

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

10 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 February 2022	51,960	59,200	111,160
Additions	-	4,923	4,923
Disposals	(51,960)	(10,121)	(62,081)
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 January 2023	-	54,002	54,002
	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation and impairment			
At 1 February 2022	25,396	44,684	70,080
Depreciation charged in the year	-	5,304	5,304
Eliminated in respect of disposals	(25,396)	(9,864)	(35,260)
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 January 2023	-	40,124	40,124
	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount			
At 31 January 2023	-	13,878	13,878
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 January 2022	26,564	14,516	41,080
	<u>26,564</u>	<u>14,516</u>	<u>41,080</u>

11 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	196	13
Other debtors	20,299	4,538
Prepayments and accrued income	37,509	9,906
	<u>58,004</u>	<u>14,457</u>
	<u>58,004</u>	<u>14,457</u>

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	7,321	6,266
Corporation tax	205,408	211,012
Other taxation and social security	105,259	115,074
Other creditors	3,911	2,731
Accruals and deferred income	12,543	27,244
	<u>334,442</u>	<u>362,327</u>
	<u>334,442</u>	<u>362,327</u>

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

13 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	118,750	180,045

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2023	2022	2023	2022
	Number	Number	£	£
Outstanding at 1 February 2022	-	-	-	-
Granted	8,334	-	5.16	-
Outstanding at 31 January 2023	8,334	-	5.16	-
Exercisable at 31 January 2023	-	-	-	-

During the year, the company started a share options plan available to key management personnel. Each options is equal to one share of the company's ordinary share capital. The exercise price is equal to the fair market value of the company's shares at the date of grant, as determined by an independent valuation advisor.

All options granted have the same vesting terms whereby the options can only be exercised when the company's turnover exceeds a specified threshold, as long as the recipient remains an employee of the company.

15 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of £1 each	136,500	136,500	136,500	136,500
Ordinary B shares of £1 each	13,500	13,500	13,500	13,500
	150,000	150,000	150,000	150,000

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

16 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	137,637	70,000
Between two and five years	194,985	116,667
	<u>332,622</u>	<u>186,667</u>

17 Directors' transactions

Interest free loans have been granted by its directors to the company as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Directors' loan account	-	(335)	25,400	(24,510)	555
		<u>(335)</u>	<u>25,400</u>	<u>(24,510)</u>	<u>555</u>

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	195,108	162,111

LONDON WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

19 Cash generated from operations

	2023	2022
	£	£
Profit for the year after tax	798,174	859,564
Adjustments for:		
Taxation charged	208,046	210,850
Investment income	(2,940)	(955)
Loss on disposal of tangible fixed assets	26,822	-
Depreciation and impairment of tangible fixed assets	5,304	16,281
Movements in working capital:		
(Increase)/decrease in debtors	(43,882)	18,021
(Decrease)/increase in creditors	(22,281)	12,424
Cash generated from operations	<u>969,243</u>	<u>1,116,185</u>

20 Analysis of changes in net funds

	1 February 2022	Cash flows	31 January 2023
	£	£	£
Cash at bank and in hand	<u>1,399,218</u>	<u>189,944</u>	<u>1,589,162</u>

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