
AVALON CAPITAL PARTNERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

AVALON CAPITAL PARTNERS LIMITED

COMPANY INFORMATION

Directors	J Y M Aknin S G E Langford
Registered number	07824589
Registered office	35 Ballards Lane London N3 1XW
Independent auditors	BKL Audit LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

AVALON CAPITAL PARTNERS LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2022**

Introduction

The principal activity of Avalon Capital Partners Limited ("ACPL") is an agency and matched principal broker, facilitating transactions in cash equity products for an institutional client base.

ACPL is authorised and regulated by the Financial Conduct Authority ("FCA"), reference number 769800.

Business review

The directors have undertaken a comprehensive review of all ACPL financial and business metrics and are satisfied with the performance for the financial year end to 31 July 2022. A complete assessment thereof is contained in this set of financial statements.

Principal risks and uncertainties

The principal risks facing ACPL are:

- Competition from other brokerage and financial services firms
- The lack of highly skilled brokers to assist in the continued growth and development of ACPL
- The continued market requirement to invest in trading technology and infrastructure

The above can restrict ACPL in securing and maintaining market share in often difficult trading conditions.

The company also faces credit, interest rate, liquidity, foreign exchange, operational, capital and regulatory environment risk in the normal course of business. As ACPL transacts on an agency or matched principal basis, its exposure to credit and market risk is limited.

The above risks are mitigated by having stringent internal controls, including detailed monitoring of client executions, daily revenue reporting and stringent and timely reconciliation processes with clearing firms.

Financial key performance indicators

The key financial indicators are turnover of £6,640,508 and net profit before tax of £942,568. The board considers that these are in line with expectations.

At 31 July 2022, ACPL held a regulatory capital surplus of £2,954,668.

Other key performance indicators

ACPL's long term strategy and core objectives dictate the key performance indicators ("KPIs") that senior management and the board monitor, target and measure. These KPIs fulfil two roles:

- 1) To give senior management a framework to evaluate the overall performance of the company.
- 2) To provide senior management with clear guidelines and focus on areas which are critical to the success and growth of ACPL.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Directors' statement of compliance with duty to promote the success of the Company

The Directors of the Company are aware of their requirement to act in the best interests of the following related stakeholders:

Shareholders

The Directors have regular contact with the shareholder in order to maximise the Company's long-term growth prospects and the opportunity for a dividend stream.

Customers

The Company's customer base is purely institutional clients. The Director prioritises compliance with the FCA, whilst ensuring each client's best interests are served in accordance with their risk appetite.

Suppliers

The company has various key supplier relationships which it maintains to ensure the smooth running of the business.

Community and the environment

The Company actively seeks to reduce its carbon footprint by virtue of its entirely online and paperless business.

The Directors also encourage regular attendance at industry related networking events in order to build and maintain strong relationships.

MIFIDPRU 8 disclosure

The FCA requires disclosure of specified information about underlying risk management controls and capital position of regulated firms ("MIFIDPRU 8 Disclosure"). These disclosures are available online along with the remuneration disclosure at: www.avaloncp.com.

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

S G E Langford

Director

Date: 18 November 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2022**

The directors present their report and the audited financial statements for the year ended 31 July 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 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £764,424 (2021 - £968,723).

The directors recommend that no dividend is paid in the year (2021 - Nil).

Directors

The directors who served during the year were:

J Y M Akin
S G E Langford

Future developments

The directors are confident that market conditions will continue to favour the business model of the company.

AVALON CAPITAL PARTNERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has 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 been 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

During the year, Berg Kaprow Lewis LLP acted as auditor to the company until 31 March 2022. On 31 March 2022, Berg Kaprow Lewis LLP transferred its audit business to a new LLP, BKL Audit LLP. The directors consented to treating the appointment of Berg Kaprow Lewis LLP as extending to BKL Audit LLP with effect from 1 April 2022.

Under section 487(2) of the Companies Act 2006, BKL Audit 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.

S G E Langford

Director

Date: 18 November 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVALON CAPITAL PARTNERS LIMITED

Opinion

We have audited the financial statements of Avalon Capital Partners Limited (the 'Company') for the year ended 31 July 2022, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows 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 July 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVALON CAPITAL PARTNERS LIMITED (CONTINUED)

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 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVALON CAPITAL PARTNERS LIMITED (CONTINUED)

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:

- Enquiring of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance

with applicable laws and regulations;

- Performing audit work over the risks of management override of controls, including testing of journal entries

and other adjustments for appropriateness, evaluating business rationale of significant transactions outside

the normal course of business and reviewing accounting estimates for bias.

- Enquiring of company staff in finance and compliance functions to identify any instances of non-compliance

with laws and regulations;

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVALON CAPITAL PARTNERS LIMITED (CONTINUED)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Landau FCA (Senior Statutory Auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants

Statutory Auditor

London

Date: 19 November 2022

AVALON CAPITAL PARTNERS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JULY 2022**

	Note	2022 £	2021 £
Turnover	4	6,640,508	7,753,987
Cost of sales		(3,486,416)	(3,128,244)
Gross profit		3,154,092	4,625,743
Administrative expenses		(2,286,730)	(3,427,666)
Other operating income		75,206	-
Operating profit	6	942,568	1,198,077
Tax on profit	10	(178,144)	(229,354)
Profit after tax		764,424	968,723
Retained earnings at the beginning of the year		3,090,244	2,121,521
		3,090,244	2,121,521
Profit for the year		764,424	968,723
Retained earnings at the end of the year		3,854,668	3,090,244

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 12 to 21 form part of these financial statements.

AVALON CAPITAL PARTNERS LIMITED
REGISTERED NUMBER: 07824589

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022

	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due within one year	11	4,918,266	3,755,755
Cash at bank and in hand		150,112	215,013
		<u>5,068,378</u>	<u>3,970,768</u>
Creditors: amounts falling due within one year	12	(1,113,710)	(760,027)
Net current assets		<u>3,954,668</u>	<u>3,210,741</u>
Total assets less current liabilities		<u>3,954,668</u>	<u>3,210,741</u>
Creditors: amounts falling due after more than one year	13	-	(20,497)
Net assets		<u><u>3,954,668</u></u>	<u><u>3,190,244</u></u>
Capital and reserves			
Called up share capital	14	100,000	100,000
Profit and loss account	15	3,854,668	3,090,244
		<u><u>3,954,668</u></u>	<u><u>3,190,244</u></u>

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

S G E Langford
Director

Date: 18 November 2022

The notes on pages 12 to 21 form part of these financial statements.

AVALON CAPITAL PARTNERS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	764,424	968,723
Adjustments for:		
Taxation charge	178,144	229,354
Decrease in debtors	44,234	206,393
(Increase) in amounts owed by groups	(1,206,746)	(1,397,706)
Increase/(decrease) in creditors	384,494	(77,804)
Increase in amounts owed to groups	15,774	-
Corporation tax (paid)	(245,225)	(93,260)
Net cash generated from operating activities	(64,901)	(164,300)
Net (decrease) in cash and cash equivalents	(64,901)	(164,300)
Cash and cash equivalents at beginning of year	215,013	379,313
Cash and cash equivalents at the end of year	150,112	215,013
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	150,112	215,013
	150,112	215,013

The notes on pages 12 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

1. General information

The principal activity of Avalon Capital Partners Ltd ("the Company") is an agency and matched principal broking, facilitating transactions in cash equity products for an institutional client base.

The Company is a private company limited by shares and is incorporated in England and Wales.

The principal place of business is 4th Floor, 27-32 Old Jewry, London, EC2R 8DQ.

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 ("FRS 102") 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Revenue

Revenue 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover comprises revenue recognised by the Company in respect of brokerage commissions earned for services provided and market research services.

Commissions are recognised at the time the relevant trade is executed.

Market research service income is recognised when the service is provided.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.5 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

(i) Financial assets

Basic financial assets, including trade and other debtors, and, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

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.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to Statement of Income and Retained Earnings on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 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 a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in Statement of Income and Retained Earnings 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 reporting 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 reporting 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 reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position 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.

The only key judgement (apart from those involving estimates) related to the management recharge from Avalon Capital Markets Limited, a company under common ownership. The directors have estimated the market value of the services provided based on an allocation of overheads.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

AVALON CAPITAL PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Brokerage income	6,640,508	7,753,987
	<u>6,640,508</u>	<u>7,753,987</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Other operating income	75,206	-
	<u>75,206</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	(17,425)	39,338
Other operating lease rentals	<u>173,576</u>	<u>168,092</u>

7. Auditors' remuneration

Fees payable to the Company's auditor and its associates in respect of:

Fees payable to the Company's auditor for the audit of the Company's annual financial statements	13,750	12,875
All other services	11,720	5,820
	<u>25,470</u>	<u>18,695</u>

AVALON CAPITAL PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

8. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	759,991	593,247
Social security costs	113,521	79,298
Cost of defined contribution scheme	12,059	8,398
	<u>885,571</u>	<u>680,943</u>

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

	2022 No.	2021 No.
Staff	10	9
Directors	2	2
	<u>12</u>	<u>11</u>

9. Directors' remuneration

None of the directors were remunerated by the Company during the period. All directors were remunerated by other group undertakings.

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	189,776	229,354
Adjustments in respect of previous periods	(11,632)	-
	<u>178,144</u>	<u>229,354</u>
Total current tax	<u>178,144</u>	<u>229,354</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

10. 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	<u>942,568</u>	<u>1,198,077</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	179,088	227,635
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,183	1,277
Adjustments to tax charge in respect of prior periods	(11,632)	218
Other differences leading to an increase (decrease) in the tax charge	505	224
Total tax charge for the year	<u>178,144</u>	<u>229,354</u>

Factors that may affect future tax charges

The UK Government Announced its intention to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. The increase in the rate of UK corporation tax was enacted in the finance act 2021 which received Royal Assent on 10 June 2021.

AVALON CAPITAL PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

11. Debtors

	2022 £	2021 £
Trade debtors	331,563	508,513
Amounts owed by group undertakings	4,247,491	3,040,745
Other debtors	124,662	21,250
Prepayments and accrued income	214,550	185,247
	<u>4,918,266</u>	<u>3,755,755</u>

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	224,558	194,568
Amounts owed to group undertakings	15,774	-
Corporation tax	161,985	229,066
Other taxation and social security	63,077	32,882
Other creditors	3,513	3,604
Accruals and deferred income	644,803	299,907
	<u>1,113,710</u>	<u>760,027</u>

13. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other creditors	-	20,497
	<u>-</u>	<u>20,497</u>

AVALON CAPITAL PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100,000 (2021 - 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

15. Reserves

Profit and loss account

Comprises all current period profits and losses.

16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,059 (2021: £8,398). Contributions totalling £3,513 (2021: £3,158) were payable to the fund at the reporting date and are included in creditors.

17. Commitments under operating leases

At 31 July 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	158,611	136,565
Later than 1 year and not later than 5 years	-	158,611
	<u>158,611</u>	<u>295,176</u>

18. Related party transactions

Included within other debtors is a balance of £115,912 (2021: £Nil) owed from a company controlled by the shareholders of the group.

Included within other operating income are amounts of £75,206 (2021: £Nil) received from a company controlled by the shareholders of the group.

AVALON CAPITAL PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. Controlling party

The ultimate parent undertaking is Noam Holdings (Jersey) Limited, a company incorporated in England & Wales.

The ultimate controlling party is J Y M Akin.

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.