Equities First (London) Limited

Directors' Report and Financial Statements

Year Ended

31 December 2022

Company Number 08120457

Equities First (London) Limited

Company Information

Directors	Mr A C Christy Jr Mr D J McGillivray Mr J F Mungovan Mr A D Pereira
Registered number	08120457
Registered office	The Prow 1 Wilder Walk London W1B 5AP
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

Equities First (London) Limited

Contents

Equities First (London) Limited

Directors' Report
For the Year Ended 31 December 2022

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

Principal activity

Equities First (London) Limited is a financial services firm offering introductions of Professional Clients and eligible counterparties to its parent company (Equities First Holdings LLC, domiciled in the United States of America), enabling clients to borrow monies secured against individual publicly listed securities, (i.e. stock-based lending and crypto assets). The Company is authorised by the Financial Conduct Authority ("FCA"), registration number 605564, and is a 100% owned subsidiary of Equities First Holdings LLC.

Review of business

The year 2022 was the eighth full year of ownership for Equities First Holdings LLC and it represented a further year of stability and consolidation. The Company's main activity is introducing professional clients to the parent company, and it works directly with clients and introducers to source new business.

There was no negative effect of COVID-19 on the business activities and the operational side continues to adapt well to the change of working practices. The Russian Ukraine conflict also has not had or expected to have a significant impact on business activities.

There were no dividends paid in the year (2021:£Nil).

Going concern

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).The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern. The directors have based their assessment on the significant cash balance held and a positive Net Asset value.

The parent company, Equities First Holdings LLC have confirmed in writing that the Company provides economic benefits to the group and will continue to trade for the foreseeable future.

Directors

The directors who served during the year were:

Mr A C Christy Jr
Mr D J McGillivray
Mr J F Mungovan
Mr A D Pereira

Directors' responsibilities statement

The directors are responsible for preparing 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- the directors are required to 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.

Statement as to 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 (as defined by Section 418 of the Companies Act 2006) 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.

Subsequent events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

Mr J F Mungovan
Director

Date: 25th April 2023

Independent Auditors' Report to the Members of Equities First (London) Limited

Opinion on the financial statements

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.

We have audited the financial statements of Equties First (London) Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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

Other Companies Act 2006 reporting

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

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

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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report..

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We gained an understanding of the legal and regulatory framework applicable to Company and the industry in which they operate and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including but not limited to compliance with Companies Act 2006, relevant accounting standards and UK tax legislation. We assessed the extent of compliance as part of our procedures on the related financial statement areas. We considered compliance through discussions with management and those charged with governance and performed audit procedures on these areas as considered necessary.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls and determined that the principal risks were related to management bias in accounting estimates. We addressed the risk of management override of internal controls through testing journals and other adjustments, evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We evaluated whether there was evidence of bias by the Directors in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates.

We read minutes of board minutes to identify any non-compliance with laws and regulations. We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including any specialists, to ensure we remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:
Eran Wieder

Eran Wieder (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU

Date: 25 April 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Equities First (London) Limited

Statement of Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover		**2,755,954**	2,911,230
Administrative expenses		**(2,589,911)**	(2,738,136)
Operating profit		**166,043**	173,094
Interest receivable and similar income		**2,276**	6,279
Interest payable and similar expenses		**(569)**	(1,264)
Profit before taxation		**167,750**	178,109
Taxation	5	**(21,478)**	(2,817)
Total comprehensive income for the year		**146,272**	175,292

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

The results above are derived from continuing activities.

The notes on pages 12 to 20 form part of these financial statements.

Equities First (London) Limited
Registered number:08120457

Statement of Financial Position
As at 31 December 2022

	Note		2022 £		As restated 2021 £
Fixed assets					
Tangible assets	6		**5,025**		6,600
Investments	7		**93,079**		93,079
			98,104		99,679
Current assets					
Debtors	8	**1,328,514**		1,469,658	
Cash at bank and in hand		**2,986,609**		2,826,357	
Creditors		**4,315,123**		4,296,015	
Amounts falling due within one year	9	**(376,196)**		(504,935)	
Net current assets			**3,938,927**		3,791,080
Total assets less current liabilities			**4,037,031**		3,890,759
Capital and reserves					
Called up share capital	13		**850,000**		850,000
Perpetual Non-Cumulative Preference Shares	13		**4,465,000**		4,465,000
Share premium			**352,440**		352,440
Retained earnings			**(1,630,409)**		(1,776,681)
			4,037,031		3,890,759

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Mr J F Mungovan
Director

Date: 25th April 2023

The notes on pages 12 to 20 form part of these financial statements.

Equities First (London) Limited

Statement of Changes in Equity
For the Year Ended 31 December 2022

	Called up share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 January 2021 (as restated)	5,315,000	352,440	(1,951,973)	3,715,467
Comprehensive income for the year				
Profit for the year	-	-	175,292	175,292
At 1 January 2022	5,315,000	352,440	(1,776,681)	3,890,759
Comprehensive income for the year				
Profit for the year	-	-	146,272	146,272
At 31 December 2022	5,315,000	352,440	(1,630,409)	4,037,031

The notes on pages 12 to 20 form part of these financial statements.

1. General information

Equities First (London) Limited is a private Company, limited by shares, registered in England and Wales.

The Company's registered office is The Prow, 1 Wider Walk, London, W1B 5AP. The Company is authorised by the Financial Conduct Authority ("FCA"), registration number 605564.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts as the Company is subject to the small companies' regime. The financial statements present information about the Company as an individual entity.

2.2 Going concern

The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern. The directors have based their assessment on the significant cash balance held and a positive Net Asset value.

The parent Company, Equities First Holdings LLC have confirmed in writing that the Company provides economic benefits to the group and will continue to trade for the foreseeable future.

2.3 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax and Trade discounts.

The Company recognizes turnover derived through a service agreement with its ultimate parent in the form of a monthly management fee which is calculated on all costs plus a mark-up.

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.

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	-	20%
Fixtures and fittings	-	25%
Computer equipment	-	25%

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 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 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.

2. Accounting policies (continued)

2.6 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.

2.7 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

All leases are treated as operating leases.

2.8 Pension costs and other post-retirement benefits

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 profit or loss 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.

2.9 Investment in subsidiary company

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. amounts owed by group undertakings are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

Short-term debtors are measured at transaction price, less any impairment. Loans receivable from intercompany are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 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 measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.12 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 reporting 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 Statement of Financial Position.

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

4. Employees

The average monthly number of employees, including directors, during the year was 6 (2021 - 6).

5. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	**432**	1,193
Total current tax	**432**	1,193
Deferred tax		
Origination and reversal of timing differences	**15,995**	1,624
Changes to tax rates	**5,051**	-
Total deferred tax	**21,046**	1,624
Taxation on profit on ordinary activities	**21,478**	2,817

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower 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	**167,750**	178,109
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**31,873**	33,841
Effects of:		
Expenses not deductible for tax purposes	**226**	(1,613)
Deferred tax movement in short term temporary differences	**21,046**	1,624
Losses carried forward	**(31,667)**	(32,227)
Non-trading loan relationship tax	**-**	1,192
Total tax charge for the year	**21,478**	2,817

5. Taxation (continued)

Factors that may affect future tax charges

The Finance Act 2021, which provides for an increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023 received Royal Assent on 10 June 2021. It has been reflected in the calculation of the deferred tax balances as at 31 March 2022 for temporary differences expected to reverse on or after 1 April 2023.

Deferred tax

The company has an unrecognised deferred tax asset of £195,973 (2021 - £195,973) in respect of tax losses carried forward. This asset has not been recognised as there is insufficient certainty as to its recoverability against future trading profits.

6. Tangible fixed assets

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2022	**161,184**	**49,018**	**41,173**	**251,375**
Additions	**-**	**-**	**1,291**	**1,291**
At 31 December 2022	**161,184**	**49,018**	**42,464**	**252,666**
Depreciation				
At 1 January 2022	**161,184**	**49,018**	**34,573**	**244,775**
Charge for the year on owned assets	**-**	**-**	**2,866**	**2,866**
At 31 December 2022	**161,184**	**49,018**	**37,439**	**247,641**
Net book value				
At 31 December 2022	**-**	**-**	**5,025**	**5,025**
At 31 December 2021	-	-	6,600	6,600

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022 (as restated)	93,079
At 31 December 2022	93,079

The Company holds a 100% investment of Equities First London (Spain) S.L.U., a subsidiary incorporated in Spain offering introductions of Professional Clients and eligible counterparties to Equities First Holdings LLC enabling clients to borrow monies secured against mainly individual publicly listed securities. The address of the Spanish company is Padilla 32, piso 2º izquierda, 28006 Madrid.

The current issued share capital of Equities First London (Spain) S.L.U. is EUR 13,500. The par value of the shares in the Company is EUR 1. There is also a share premium of EUR 90,000. All the issued shares have voting rights.

8. Debtors

	2022 £	2021 £
Other debtors	-	72,768
Amounts owed by group undertakings	899,453	1,044,860
Other debtors	104,746	29,644
Prepayments and accrued income	156,214	133,239
Deferred taxation	168,101	189,147
	1,328,514	1,469,658

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Included in other debtors is a rental deposit of £72,768 (2021: £72,768) which will be collected when the lease term expires on 31 May 2023.

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	2,556
Bonuses Payable	**246,992**	210,530
Corporation tax	**1,620**	1,192
Other creditors	-	1,654
Accrued expenses	**127,584**	289,003
	376,196	504,935

10. Prior year adjustment

As at 31st December 2021, the investment in Equities First London (Spain) S.L.U. was incorrectly recognised as £17,845 but should have been recognised as £93,079. The error occurred due to an understatement of the in-kind contributions made by Equities First (London) Limited as part of its investment in Equities First London (Spain) S.L.U. During the year management concluded to make a prior adjustment in relation to the investment in Equities First London (Spain) S.L.U. to correct this understatement.

	Per prior year £	Adjustment £	As restated £
Investment in subsidiary	**17,845**	**75,234**	**93,079**
Retained earnings brought forward	**2,027,208**	**(75,234)**	**1,951,973**

11. 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 £6,416 (2021: £6,581) . Contributions totalling £Nil (2021: £Nil) were payable to the fund at the reporting date and are included in creditors.

12. Leasing agreements

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	**70,260**	168,624
Later than 1 year and not later than 5 years	-	70,260
	70,260	238,884

13. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
850,000 Ordinary shares of £1.00 each	**850,000**	850,000
4,465,000 Perpetual Non-Cumulative Preference shares of £1.00 each	**4,465,000**	4,465,000
	5,315,000	5,315,000

Perpetual Non-Cumulative Preference shares are redeemable at par, whether in whole or in part, at any time at the discretion of the directors, provided that the directors reasonably believe that the Company have adequate resources to make the redemption.

14. Related party transactions

The Company has taken advantage of the exceptions provided by FRS 102 paragraph 33.1A and not disclosed the transactions with group undertakings where 100% of the voting rights are controlled within the group.

During the year ended 31st December 2022, the Company was charged £48,000 (2021-£51,010) by Fleming McGillivray & Co Limited for the provision of compliance services. The director D J McGillivray is a director of Fleming McGillivray & Co Limited. At the balance sheet date, an amount paid in advance to Fleming McGillivray & Co Limited by the Company for quarterly services was £12,000 (2021: £Nil).

15. Subsequent events

There have been no significant events affecting the company since the year end.

16. Controlling party

The Company's immediate and ultimate controlling party is Equities First Holdings LLC, a limited liability company incorporated in the United States.

The largest and smallest group of which the Company is a member for which group financial statements are prepared is Equities First Holdings LLC.