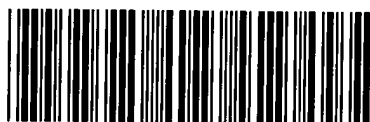


REGISTERED NUMBER: 08120457 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
EQUITIES FIRST (LONDON) LIMITED**

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EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

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FOR THE YEAR ENDED 31 DECEMBER 2020

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EQUITIES FIRST (LONDON) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS:

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

REGISTERED OFFICE:

Second Floor
123 Aldersgate Street
London
EC1A 4JQ

REGISTERED NUMBER:

08120457 (England and Wales)

AUDITORS:

BDO LLP
55 Baker Street
London
W1U 7EU

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report with the financial statements of Equities First (London) Limited (the "Company") for the year ended 31 December 2020.

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 mainly individual publicly listed securities, (i.e. stock-based lending). The Company is authorised and regulated by the Financial Conduct Authority ("FCA"), registration number 605564, and is a 100% owned subsidiary of Equities First Holdings LLC.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

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

REVIEW OF THE BUSINESS

The year 2020 was the sixth full year of ownership for Equities First Holdings LLC and it represented a further year of stability and consolidation, giving a platform for the business to build upon. Revenue has grown significantly due to increased fees generated on introduction of clients who borrowed larger loans from the parent company in the various jurisdictions where the Company operates. There was no negative effect of COVID-19 on the business activities and the operational side adapted well to the change of working practices.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations. There exists, at any time during the financial year to which a director's report relates or when the director's report is approved, of qualifying indemnity provisions (whether made by the Company or otherwise) for the benefit of one or more directors of an associated Company.

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;
- 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 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.

There is no qualifying third-party indemnity provision or qualifying pension scheme indemnity provision in place for any of the directors of the Company or of an associated company at any time during the financial year or at the date of approval of the director's report.

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



.....
Mr J F Mungovan - Director

Date: 26 April 2021
.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EQUITIES FIRST (LONDON) LIMITED

Opinion

We have audited the financial statements of Equities First (London) Limited (the 'Company') for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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 directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EQUITIES FIRST (LONDON) LIMITED

Other Companies Act 2006 reporting (continued)

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 Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The Directors were entitled to 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 Statement of Directors' Responsibilities set out on page two, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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. Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations
- Communicating identified laws and regulations throughout our team and remaining alert to any indications of non-compliance
- Evaluating that the Company's control environment is adequate for its size and is designed appropriately
- Assessing journal entries as part of our planned audit approach

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 for non-compliance with laws and regulations, the further removed they are 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EQUITIES FIRST (LONDON) LIMITED**

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.

Eran Wieder

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

Date: 27 April 2021

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31.12.2020 £	31.12.2019 As restated £
TURNOVER		5,441,980	3,781,765
Administrative expenses		<u>(3,806,437)</u>	<u>(3,528,308)</u>
OPERATING PROFIT		1,635,543	253,457
Interest receivable and similar income		1,420	-
Interest payable and similar expenses		<u>(93)</u>	<u>-</u>
PROFIT BEFORE TAXATION		1,636,870	253,457
Taxation credit/ (charge) on profit	7	<u>(314,205)</u>	<u>536,242</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,322,665</u></u>	<u><u>789,699</u></u>

The results above are derived from continuing activities.

The Company has no other comprehensive income during either the current year or prior year and therefore no separate statement of comprehensive income has been presented.

Costs of sales amounts of £2,133,331 have been reclassified to administrative expenses in the prior year.

The notes form part of these financial statements

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)**BALANCE SHEET**
31 DECEMBER 2020**REGISTERED NUMBER: 08120457**

			31.12.2020	31.12.2019
	Notes	£	£	As restated £
FIXED ASSETS				
Tangible assets	8		2,169	141,397
Investment in subsidiary	9		<u>17,845</u>	<u>-</u>
			20,014	141,397
CURRENT ASSETS				
Debtors	10	342,521	582,041	
Cash at bank and in hand		3,440,166	1,396,018	
Deferred tax asset		<u>190,771</u>	<u>504,706</u>	
		3,973,458	2,482,765	
CREDITORS				
Amounts falling due within one year	11	<u>353,240</u>	<u>306,595</u>	
NET CURRENT ASSETS			<u>3,620,218</u>	<u>2,176,170</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,640,232</u>	<u>2,317,567</u>
NET ASSETS			<u>3,640,232</u>	<u>2,317,567</u>
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			<u>(2,027,208)</u>	<u>(3,349,873)</u>
SHAREHOLDERS' FUNDS			<u>3,640,232</u>	<u>2,317,567</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 26th April 2021 and were signed on its behalf by:



Mr J F Mungovan - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. STATUTORY INFORMATION

Equities First (London) Limited is a private Company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE 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.

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.

The following principal accounting policies have been applied:

TURNOVER

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax and Trade discounts. Revenue is recognised when the parent Company's lawyers issue a completion statement on the closing date, signifying that the client has delivered the securities and the loan funds have been transferred across to them in accordance with the terms of the agreement.

In addition, the Company receives a management fee, derived through an agreement with its ultimate parent company. The Company bills this monthly, recognising the revenue at that point in time.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life. Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. 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 the income statement.

Leasehold Improvements - 20% on cost
Fixtures and fittings - 25% on cost
Computer equipment - 25% on cost

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued
TAXATION

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Deferred tax balances are not discounted.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

INVESTMENT IN SUBSIDIARY COMPANY

Investment in a subsidiary Company is held at cost less accumulated impairment losses.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the Directors have not had to make any critical accounting judgements or estimates.

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

4. PRIOR YEAR RESTATEMENT

As at 31 December 2019, the total taxable losses carried forward were £2,797,748. The Company had a history of profitability as well as forecasted future taxable profits at this point, for the year ended 31 December 2020 and beyond. As such, a deferred tax asset should have been recognised on these losses being utilised against taxable income. As a result of the aforementioned adjustment, the provision for liability has been netted with the deferred tax asset. In the comparative period to these financial statements, the adjustments can be summarised as follows:

	As stated £	Adjustments £	As restated £
Current assets			
- Understatement of deferred tax asset	-	504,706	504,706
Provisions for liabilities			
- Overstatement of provisions for liabilities	(26,866)	26,866	-
Profit and loss account			
- Understatement of taxation credit on profit	(4,670)	(531,572)	536,242

On the Balance Sheet, amounts of £4,465,000 have been reclassified from Share capital to Perpetual Non-Cumulative Preference Shares in the prior year. Trade debtors of £341,713 have been re-classified as Intercompany for the year ended 31 December 2019. On the Income Statement, Cost of sales amounts of £2,133,331 have been reclassified to administrative expenses in the prior year.

5. EMPLOYEES AND DIRECTORS

	31.12.2020 £	31.12.2019 £
Wages and salaries	2,593,494	2,073,139
Social security costs	373,438	422,603
Other pension costs	<u>6,052</u>	<u>5,730</u>
	<u>2,972,984</u>	<u>2,501,472</u>

The average number of employees during the year was as follows:

	31.12.2020	31.12.2019
Sales	5	5
Administration	2	2
Finance	<u>1</u>	<u>1</u>
	<u>8</u>	<u>8</u>

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

5. EMPLOYEES AND DIRECTORS (continued)

Directors compensation paid or payable is shown below:

	31.12.20	31.12.19
	£	£
Directors' remuneration	<u>2,017,776</u>	<u>1,211,072</u>

Information regarding the highest paid director is as follows:

	31.12.20	31.12.19
	£	£
Directors' remuneration	<u>1,818,343</u>	<u>1,036,337</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.2020	31.12.2019
	£	£
Operating leases	226,058	230,259
Depreciation	47,082	46,158
Auditors' remuneration	25,000	12,500
Audit related assurance services	2,000	-
Foreign exchange differences	(9,340)	19,246

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

7. TAXATION

The tax credit on the profit for the year was as follows:

	31.12.20	31.12.19
	£	As restated £
Current tax:		
UK Corporation tax	270	-
Deferred tax	<u>313,935</u>	<u>(536,242)</u>
Taxation on profit	<u>314,205</u>	<u>(536,242)</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	31.12.2020	31.12.2019
	£	As restated £
Profit on ordinary activities before tax	1,636,870	253,457
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019 - 19%)	311,005	48,157
Effects of:		
Non-deductible expenses	29,654	6,503
Deferred tax movement in short term temporary differences	(26,454)	(4,670)
Deferred tax movement in losses carried forward		(531,572)
Losses utilised in year		<u>(54,657)</u>
Taxation credit for the year	<u>314,205</u>	<u>(536,242)</u>

Factors that may affect future tax charges

Changes in UK corporation tax rates were substantively enacted as part of the 2015 finance bill on 26 October 2015 and the 2017 finance bill on 7 September 2017. These changes include reductions to the main UK corporation tax rate from 20% to 19% with effect from 1 April 2018 and from 19% to 17% with effect from 1 April 2020. On 12 March 2020, the Chancellor of the Exchequer announced that instead of the rate reducing to 17% from 1 April 2020, the main rate would remain at 19% for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2020	161,184	207,275	62,697	431,156
Disposals	-	(158,257)	(27,170)	(185,427)
At 31 December 2020	<u>161,184</u>	<u>49,018</u>	<u>35,527</u>	<u>245,729</u>
DEPRECIATION				
At 1 January 2020	161,181	90,118	38,460	289,759
Charge for year	3	45,452	1,627	47,082
Disposals	-	(86,552)	(6,729)	(93,281)
At 31 December 2020	<u>161,184</u>	<u>49,018</u>	<u>33,358</u>	<u>243,560</u>
NET BOOK VALUE				
At 31 December 2020	<u>-</u>	<u>-</u>	<u>2,169</u>	<u>2,169</u>
At 31 December 2019	<u>3</u>	<u>117,157</u>	<u>24,237</u>	<u>141,397</u>

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

9. FIXED ASSET INVESTMENTS

	Other Investments £
COST	
Addition – Investment in Spanish Subsidiary	<u>17,845</u>
At 31 December 2020	<u>17,845</u>
NET BOOK VALUE	
At 31 December 2020	<u>17,845</u>

Investments have been measured at cost less accumulated impairment losses.

The Company holds a 100% investment of Equities First London (Spain) S.L., 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. 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.

10. DEBTORS

	31.12.2020 £	31.12.2019 £
Amounts falling due within one year:		
Other debtors	875	5,113
Intercompany	111,120	341,713
VAT receivable	20,401	22,888
Prepayments and accrued income	<u>137,357</u>	<u>108,959</u>
	<u>269,753</u>	<u>478,673</u>
 Amounts falling due after more than one year:		
Other debtors	<u>72,768</u>	<u>103,368</u>
 Aggregate amounts	<u>342,521</u>	<u>582,041</u>

The amounts due from group undertakings are unsecured, interest free and repayable on demand.

All amounts shown above fall due for payment within one year except a rental deposit of £72,768 (2019 - £103,368) that will not be collected until the lease term expires on 31 May 2023.

Trade debtors of £341,713 have been re-classified as Intercompany for the year ended 31 December 2019.

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2020	31.12.2019
	£	£
Trade creditors	299,582	135,671
Taxation and social security	270	39,731
Accrued expenses	<u>53,388</u>	<u>131,193</u>
	<u>353,240</u>	<u>306,595</u>

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.2020	31.12.2019
	£	£
Within one year	70,260	223,997
Between one and five years	<u>-</u>	<u>167,162</u>
	<u>70,260</u>	<u>391,159</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.2020	31.12.2019
			£	£
850,000	Ordinary	1	850,000	850,000
4,465,000	Perpetual Non-Cumulative Preference	1	<u>4,465,000</u>	<u>4,465,000</u>
			<u>5,315,000</u>	<u>5,315,000</u>

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.

On the Balance Sheet, amounts of £4,465,000 have been reclassified from Share capital to Perpetual Non-Cumulative Preference Shares in the prior year.

14. RELATED PARTY DISCLOSURES

During the year ended 31 December 2020, the Company was charged £60,000 (2019-£60,000) 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, amount owing to Fleming McGillivray & Co Limited by the Company was £Nil (2019: £Nil).

15. ULTIMATE CONTROLLING PARTY

The Company is controlled by Equities First Holdings LLC (incorporated in the United States of America), which is regarded by the directors as being the Company's ultimate parent company. Mr Alexander Christy JR. is the ultimate business owner. This Company produces group accounts.

16. PLACE OF BUSINESS ADDRESS

The Prow, 1 Wilder Walk, London, W1B 5AP