

Company Registration No. 09223709 (England and Wales)

PATRONUS PARTNERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

PATRONUS PARTNERS LIMITED

COMPANY INFORMATION

Directors	Mr P Kavanagh Mr K Khouri Mr J Prior Mr J Steinson
Company number	09223709
Registered office	3 Fitzhardinge Street London W1H 6EF
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

PATRONUS PARTNERS LIMITED

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PATRONUS PARTNERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report for the year ended 30 September 2022.

Business Review

Against a backdrop of challenging financial markets, I am delighted to report that we have achieved our strongest financial result to date with contributions coming from all sides of our business. From the outset when we launched Patronus Partners in 2015, our mission was to build a company that provided stability through the changes in financial markets. As I reiterate each year, our role continues to be the trusted partner to our clients. This year has been especially challenging for markets with the sharp reversal of years of ultra-low interest rates leading to significant changes to trends in the markets. I will comment below on some specific areas but firstly a thank you to our clients and business partners for their continued support during the year.

I wanted to start by commenting upon our investment management business. Five years ago, and with modest early adoption rates, we set out with a range of investment mandates to build our own in-house investment management offering. Led by our Chief Investment Officer and co-founder John Prior, the intention was to build a track record with sensible global asset allocation. The very nature of this business is long term, building a track record and a brand in an ultra-competitive market where marketing budgets can trump investment competence. I am delighted with the record we have built over this period, particularly this year as the conventional 60/40 models came under much closer scrutiny for its ability to cope with the current environment. I believe we have a proposition that meets our branding of 'Investment Management done well' and we have several initiatives in place across our business to help us grow this strategic part of the business.

Our execution only division continued to operate strongly through the year albeit with significantly less corporate activity such as new listings and secondary fund raisings. Putin's horrific and senseless war on Ukraine caused some material changes in financial markets which understandably knocked confidence of business leaders and investors putting off many expansion ideas resulting in less activity. At the time of writing, there are early signs of confidence returning as some of the more extreme movements in energy and interest rates have eased and we hope that this renewed focus on stability will further assist confidence to return.

I will finish by thanking each and everyone of the team at Patronus for their hard and professional work throughout the year. Our business functions seamlessly only if operations, compliance, and our client facing teams pull together for the common cause of serving our clients.

PATRONUS PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have an impact on our performance.

As required by the Financial Conduct Authority (FCA), Patronus has prepared an Internal Capital Adequacy Risk Assessment (ICARA) document which reviews the Company's capital resources. This document considers the risks that we might be exposed to as well as the controls that exist to mitigate those risks. We have identified the principal risks affecting our business below.

Market risk

The company does not deal on its own account so is not particularly exposed to market risk. The only market risks that Patronus might face is related to the short term investment of surplus cash belonging to Patronus and any potential associated currency risk but this is negligible.

Liquidity risk

The company's policy in this regard is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in fees received and receivable. Patronus maintains cash balances at its bank to cover liquidity risk.

Concentration risk

As we continue to grow the client base, we do have a relatively small number of clients which provide a large part of our revenue. We are not, however, overly dependent upon one customer or any one group of connected customers either in terms of income dependency or in terms of credit risk. Additionally, we are actively developing new revenue streams and attracting new clients. We are satisfied that we do not have an undue concentration risk.

Day to day oversight for the operation and risks is undertaken by the Patronus Board of Directors. Patronus does not risk its own capital in financial markets and indeed does not have the regulatory permission to take any proprietary trading risk.

Key performance indicators

In our eighth full year of operation, we are delighted that the business has continued to develop and remains in excellent health. Turnover was £9.2 million, 12.8% up on the previous year. We remain committed to further developing all aspects of the existing business model, building deeper relationships with existing clients and attracting new clients to our Firm.

Future developments

The current year has started well. Eight years in, I believe the company is well established in the markets we operate with increasing recognition of our services. With a strong foundation of compliance and operational support, we are well positioned for top line growth and for broadening out our services.

PATRONUS PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Stakeholder Considerations - S.172 Disclosure

The board considers that it has acted in good faith in a way which would most likely promote the Company for the benefit of the members as a whole and in doing so, have had regard to factors set out in S172 of the Companies Act 2006. The Company's board of directors meet on a regular basis to review the likely considerations of any decision in the long term. In 2021, the company introduced a policy to make an annual charitable donation that will be decided upon by an individual member of staff, on a rotational basis. This will be continued this year. The company considers itself to have a positive impact on the community and environment; wherever possible, the Directors and staff will use local businesses and will support local initiatives. Additionally, the company tries to use as little paper as possible but where this is not possible, all paper and cardboard continues to be recycled. As we move towards a hybrid working model, we are finding that much less paper is being used naturally as staff work on email rather than the more traditional forms of paper-based communication. Patronus and all its staff strive to be responsible members of the financial services community and at the centre of our business are our clients, who we always aim to treat fairly and put at the forefront of our decision making. The personal welfare and ongoing development of our employees is also key to the continued success of the company. Despite the working from home regime and now the hybrid model, the Directors continue to operate a flat hierarchical structure and encourage very open communication channels. In addition, the company always seeks to maintain a reputation for high standards of business conduct, and as a regulated entity it is also required to meet the standards laid down by the FCA.

On behalf of the board

Mr K Khouri

Director

24 January 2023

PATRONUS PARTNERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities

The principal activities of the company continued to be that of execution only, advisory stockbroking and investment management services for retail, professional and institutional clients.

Results and dividends

The results for the year are set out on page 10.

Dividends declared during the year amounted to £716,078 (2021: £561,033). The directors do not recommend payment of a final dividend (2021: £nil).

Directors

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

Mr P Kavanagh
Mr K Khouri
Mr J Prior
Mr J Steinson

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

PATRONUS PARTNERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Statement of disclosure to auditor

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

On behalf of the board

Mr K Khouri
Director

24 January 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PATRONUS PARTNERS LIMITED**

Opinion

We have audited the financial statements of Patronus Partners Limited (the 'company') for the year ended 30 September 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 September 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 *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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF PATRONUS PARTNERS LIMITED

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 and the directors' report.

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF PATRONUS PARTNERS LIMITED

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.

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.

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. 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 inflated revenue and profit.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF PATRONUS PARTNERS 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.

Vinodkumar Vadgama (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

24 January 2023

Chartered Accountants
Statutory Auditor

PATRONUS PARTNERS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	2022 £	2021 £
Turnover	2	9,245,415	8,196,100
Cost of sales		(5,927,089)	(5,369,435)
Gross profit		3,318,326	2,826,665
Administrative expenses		(2,022,649)	(1,952,145)
Operating profit	3	1,295,677	874,520
Amounts written off investments	6	(110,880)	-
Profit before taxation		1,184,797	874,520
Tax on profit	7	(255,520)	(167,945)
Profit for the financial year		929,277	706,575

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PATRONUS PARTNERS LIMITED**BALANCE SHEET****AS AT 30 SEPTEMBER 2022**

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		11,351		9,791
Investments	10		62,370		-
			<u>73,721</u>		<u>9,791</u>
Current assets					
Debtors	11	747,838		354,552	
Cash at bank and in hand		756,766		1,076,956	
		<u>1,504,604</u>		<u>1,431,508</u>	
Creditors: amounts falling due within one year	12	<u>(562,520)</u>		<u>(638,693)</u>	
Net current assets			<u>942,084</u>		<u>792,815</u>
Net assets			<u><u>1,015,805</u></u>		<u><u>802,606</u></u>
Capital and reserves					
Called up share capital	14		70,588		70,588
Share premium account			282,353		282,353
Profit and loss reserves			662,864		449,665
Total equity			<u><u>1,015,805</u></u>		<u><u>802,606</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24 January 2023 and are signed on its behalf by:

Mr K Khouri
Director

Company Registration No. 09223709

PATRONUS PARTNERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 October 2020		70,588	282,353	304,123	657,064
Year ended 30 September 2021:					
Profit and total comprehensive income for the year		-	-	706,575	706,575
Dividends	8	-	-	(561,033)	(561,033)
Balance at 30 September 2021		70,588	282,353	449,665	802,606
Year ended 30 September 2022:					
Profit and total comprehensive income for the year		-	-	929,277	929,277
Dividends	8	-	-	(716,078)	(716,078)
Balance at 30 September 2022		70,588	282,353	662,864	1,015,805

PATRONUS PARTNERS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	20	788,022		1,003,803	
Income taxes paid		(167,945)		(88,472)	
Net cash inflow from operating activities		620,077		915,331	
Investing activities					
Purchase of tangible fixed assets		(6,664)		(3,921)	
Proceeds on disposal of investments		(217,525)		-	
Net cash used in investing activities		(224,189)		(3,921)	
Financing activities					
Dividends paid		(716,078)		(416,033)	
Net cash used in financing activities		(716,078)		(416,033)	
Net (decrease)/increase in cash and cash equivalents		(320,190)		495,377	
Cash and cash equivalents at beginning of year		1,076,956		581,579	
Cash and cash equivalents at end of year		756,766		1,076,956	

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Patronus Partners Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Fitzhardinge Street, London, W111 6EF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Revenue comprises commissions and fees received for execution only and advisory stockbroking, funding positions and discretionary investment management services.

Revenue from execution only and advisory stockbroking represents gross fees and dealing commissions, and is recognised at the point of trade execution. Commission on transactions payable to brokers and settlement agents is recognised as cost of sales.

Gross funding income, being the management fee charged on positions held open overnight, is accrued on a daily basis, calculated based upon the closing price of the underlying open position.

1.4 Tangible fixed assets

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

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

Fixtures and fittings	4 years
Computers	4 years

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

1.5 Fixed asset investments

These relate to listed investments and are included at their market value.

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Foreign exchange

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

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2 Turnover and other revenue

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

	2022	2021
	£	£
Turnover analysed by class of business		
Execution only and advisory stockbroking	8,361,213	8,020,306
Investment management	41,238	54,894
Others	842,964	120,900
	<u>9,245,415</u>	<u>8,196,100</u>

3 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(8,829)	384
Fees payable to the company's auditor for the audit of the company's financial statements	13,958	13,185
Depreciation of owned tangible fixed assets	5,104	5,384
Loss on disposal of investments	<u>44,275</u>	<u>-</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £8,829 (2021 - £384).

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Directors	4	4
Administration	3	2
Broking, Operations & Compliance	5	5
Total	<u>12</u>	<u>11</u>

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

4	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2022	2021
		£	£
	Wages and salaries	1,199,966	1,250,272
	Social security costs	161,960	167,036
	Pension costs	5,454	4,110
		<u>1,367,380</u>	<u>1,421,418</u>
5	Directors' remuneration		
		2022	2021
		£	£
	Remuneration for qualifying services	<u>365,000</u>	<u>365,000</u>
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		2022	2021
		£	£
	Remuneration for qualifying services	<u>125,000</u>	<u>125,000</u>
6	Amounts written off investments		
		2022	2021
		£	£
	Fair value gains/(losses) on financial instruments		
	Change in value of financial assets held at fair value through profit or loss	<u>(110,880)</u>	<u>-</u>
7	Taxation		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	<u>255,520</u>	<u>167,945</u>

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

7 Taxation

(Continued)

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

	2022	2021
	£	£
Profit before taxation	1,184,797	874,520
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	225,111	166,159
Tax effect of expenses that are not deductible in determining taxable profit	30,409	2,530
Other tax adjustments	-	(744)
Taxation charge for the year	255,520	167,945

8 Dividends

	2022	2021
	£	£
Interim Dividends	716,078	561,033

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

9 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 October 2021	24,266	53,798	78,064
Additions	2,317	4,347	6,664
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2022	26,583	58,145	84,728
	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment			
At 1 October 2021	24,064	44,209	68,273
Depreciation charged in the year	309	4,795	5,104
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2022	24,373	49,004	73,377
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 30 September 2022	2,210	9,141	11,351
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2021	202	9,589	9,791
	<u> </u>	<u> </u>	<u> </u>

10 Fixed asset investments

	2022 £	2021 £
Listed investments	62,370	-
	<u> </u>	<u> </u>
Listed investments carrying amount	62,370	-
	<u> </u>	<u> </u>

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

10	Fixed asset investments	(Continued)	
	Movements in fixed asset investments		
			Investments
			£
	Cost or valuation		
	At 1 October 2021		-
	Additions		250,000
	Valuation changes		(110,880)
	Disposals		(76,750)
			<hr/>
	At 30 September 2022		62,370
			<hr/>
	Carrying amount		
	At 30 September 2022		62,370
			<hr/>
	At 30 September 2021		-
			<hr/>
11	Debtors	2022	2021
		£	£
	Amounts falling due within one year:		
	Trade debtors	447,596	1,564
	Other debtors	11,628	11,692
	Prepayments and accrued income	288,614	341,296
		<hr/>	<hr/>
		747,838	354,552
		<hr/>	<hr/>
12	Creditors: amounts falling due within one year	2022	2021
		£	£
	Trade creditors	6,181	37,917
	Corporation tax	255,520	167,945
	Other taxation and social security	40,897	29,994
	Other creditors	47,060	145,000
	Accruals and deferred income	212,862	257,837
		<hr/>	<hr/>
		562,520	638,693
		<hr/>	<hr/>

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	5,454	4,110
	<u>5,454</u>	<u>4,110</u>

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

14 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of £1 each	35,294	35,294	35,294	35,294
Class A Shares of £1 each	10,000	10,000	10,000	10,000
Class B Shares of £1 each	10,000	10,000	10,000	10,000
Class C Shares of £1 each	10,000	10,000	10,000	10,000
Class D Shares of £1 each	5,294	5,294	5,294	5,294
	<u>70,588</u>	<u>70,588</u>	<u>70,588</u>	<u>70,588</u>

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights on redemption. Class A, B, C and D shares carry no rights to receive notice of, attend or vote at general meetings. Dividends may be paid to holders of one or more classes of shares to the exclusion of the other(s) or to all classes of shares, in each case at the same or differing rates, as determined by ordinary resolution of the directors. Each shares ranks equally for any distribution of capital made on a winding up or otherwise. The shares are not redeemable.

15 Operating lease commitments

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

	2022	2021
	£	£
Within one year	44,183	44,363
Between two and five years	37,713	81,895
	<u>81,896</u>	<u>126,258</u>

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

16 Events after the reporting date

On 01/10/2022, shares were issued in order to equalise the shareholding.

The immediate parent undertakings of the company are Maluta Limited, Tomarch Limited, Jessells Limited and Jezcap Limited, which are the personal companies of the four company directors. These entities now hold an equal shareholding of 25% each.

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	365,000	365,000
	<u> </u>	<u> </u>

The directors are considered to be key management personnel.

18 Ultimate controlling party

The ultimate controlling parties are the four company directors.

The immediate parent undertakings of the company are Maluta Limited, Tomarch Limited, Jessells Limited and Jezcap Limited, which are the personal companies of the four company directors. Apart from Jezcap Limited who owns 15% of the issued shares of the company, the remaining entities each own 28.3% of the issued shares of the company.

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Capital requirements

The firm is categorised as a non-SNI MIFIDPRU investment firm and its own funds requirement is therefore the higher of:

- i. £75k
- ii. Fixed overhead requirement
- iii. K-factor requirement (which is calculated using a number of quantitative exposure and activity metrics)

The firm's business model is such that the fixed overhead requirement is the binding requirement, although all metrics are calculated, recorded, and reported to the FCA.

As at 30 September 2022 the firm's regulatory capital position was as follows:

Own Funds	£1,022k
Own Funds Requirement	£310k
Surplus	£712k

The firm is further required to maintain core liquid assets equivalent to at least one third of the fixed overhead requirement. As at 30 September 2022, the firm held £757k of core liquid assets against a basic requirement of £103k. The firm estimates its capital and liquidity requirements through the internal capital adequacy and risk assessment ("ICARA") process, which maps to the firm's risk profile, business operations, and strategy.

20 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	929,277	706,575
Adjustments for:		
Taxation charged	255,520	167,945
Loss on disposal of investment property	44,275	-
Depreciation and impairment of tangible fixed assets	5,104	5,384
Other gains and losses	110,880	-
Movements in working capital:		
Increase in debtors	(393,286)	(83,591)
(Decrease)/increase in creditors	(163,748)	207,490
Cash generated from operations	788,022	1,003,803

PATRONUS PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

21 Analysis of changes in net funds

	1 October 2021	Cash flows	30 September 2022
	£	£	£
Cash at bank and in hand	1,076,956	(320,190)	756,766
	<u> </u>	<u> </u>	<u> </u>

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