

Company registration number 09277206 (England and Wales)

FALCON INVESTMENT MANAGEMENT LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 NOVEMBER 2022

FALCON INVESTMENT MANAGEMENT LTD

COMPANY INFORMATION

Directors	Mr Benny Menashe Mr S Shah	(Appointed 21 April 2022)
Company number	09277206	
Registered office	64 North Row 5th Floor London W1K 7DA	
Auditor	Goldwins Limited 75 Maygrove Road West Hampstead London NW6 2EG	

FALCON INVESTMENT MANAGEMENT LTD

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 12

FALCON INVESTMENT MANAGEMENT LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 1 NOVEMBER 2022

The directors present the strategic report for the year ended 1 November 2022.

Fair review of the business

Falcon Investment Management Limited is an Investment Manager, authorized and regulated by the Financial Conduct Authority (FCA). A multi manager hedge fund platform tailored to create independent and specialised portfolios under a Cayman SPC fund structure. Falcon's platform launches funds trading both traditional and digital assets, offering a cost effective and time efficient solution to managers with an all-inclusive hedge fund set-up service. We provide accelerator capital to managers through our first loss program, offering the system and resources to scale and grow.

The firm has steady and continuous growth since 2021, with a revenue growth of 91%, increasing the revenue to £2,536,125 in 2022 from £1,327,449 in 2021. This year the firm has expanded to a total of 8 employees at the core team, with the addition of risk and compliance personnel. At the end of October Falcon was managing more than 20 hedge funds on its platform across traditional and digital assets. We expect the growth to remind strong for 2023.

Following the launch of our First Loss Programme in May 2021, the offering is continuing to grow with additional capacity for 2023 and beyond.

With regards to infrastructure, we have recently completed an annual review of the effectiveness of its Risk Management Framework. The Risk Management team has identified and engaged in several projects to stay abreast of current market conditions, which will provide an enhancement to its on-going monitoring of funds. Falcon aims to build a regular and transparent communication channel, which can benefit clients with early identification of systematic risks, due to Falcon's network across strategies.

On behalf of the board

Mr Benny Menashe
Director

20 February 2023

FALCON INVESTMENT MANAGEMENT LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 1 NOVEMBER 2022

The directors present their annual report and financial statements for the year ended 1 November 2022.

Principal activities

The principal activity of the company continued to be that of investment management consultancy.

The company is regulated by the Financial Conduct Authority 'FCA'.

Directors

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

Mr Benny Menashe

Mr Mohammadamin Najafizadeh

Mr S Shah

(Resigned 30 April 2022)

(Appointed 21 April 2022)

Auditor

Goldwins Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr Benny Menashe

Director

20 February 2023

FALCON INVESTMENT MANAGEMENT LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 1 NOVEMBER 2022

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.

FALCON INVESTMENT MANAGEMENT LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FALCON INVESTMENT MANAGEMENT LTD

Opinion

We have audited the financial statements of Falcon Investment Management Ltd (the 'company') for the year ended 1 November 2022 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 November 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.

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.

FALCON INVESTMENT MANAGEMENT LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FALCON INVESTMENT MANAGEMENT LTD

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' exemption in preparing the directors' 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.

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

FALCON INVESTMENT MANAGEMENT LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FALCON INVESTMENT MANAGEMENT LTD

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.

Nabeel Shahzad
Senior Statutory Auditor
For and on behalf of Goldwins Limited

20 February 2023

Chartered Accountants
Statutory Auditor

75 Maygrove Road
West Hampstead
London
NW6 2EG

FALCON INVESTMENT MANAGEMENT LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 1 NOVEMBER 2022

	2022 £	2021 £
Turnover	2,536,125	1,327,449
Administrative expenses	(2,177,194)	(1,113,883)
Operating profit	358,931	213,566
Interest receivable and similar income	3,575	-
Interest payable and similar expenses	(4,729)	(735)
Fair value gains and losses on investments	(13,589)	-
Profit before taxation	344,188	212,831
Tax on profit	(59,002)	(44,342)
Profit for the financial year	285,186	168,489

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

FALCON INVESTMENT MANAGEMENT LTD

BALANCE SHEET

AS AT 1 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	4		68,144		2,000
Current assets					
Debtors	5	385,506		197,327	
Investments	6	35,589		636	
Cash at bank and in hand		105,379		45,476	
		<u>526,474</u>		<u>243,439</u>	
Creditors: amounts falling due within one year	7	<u>(180,255)</u>		<u>(79,223)</u>	
Net current assets			<u>346,219</u>		<u>164,216</u>
Total assets less current liabilities			<u>414,363</u>		<u>166,216</u>
Creditors: amounts falling due after more than one year	8		<u>(98,793)</u>		<u>(35,833)</u>
Net assets			<u><u>315,570</u></u>		<u><u>130,383</u></u>
Capital and reserves					
Called up share capital			120,000		120,000
Profit and loss reserves			<u>195,570</u>		<u>10,383</u>
Total equity			<u><u>315,570</u></u>		<u><u>130,383</u></u>

These 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 20 February 2023 and are signed on its behalf by:

Mr Benny Menashe
Director

Company Registration No. 09277206

FALCON INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 NOVEMBER 2022

1 Accounting policies

Company information

Falcon Investment Management Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 64 North Row, 5th Floor, London, W1K 7DA.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.3 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:

Plant and machinery	25% on reducing balance
IT equipment	25% on reducing balance
Motor vehicles	25% on reducing balance

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.

1.4 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.

1.5 Cash at bank and in hand

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

FALCON INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 1 NOVEMBER 2022

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Taxation

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

1.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

FALCON INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 1 NOVEMBER 2022

1 Accounting policies

(Continued)

1.9 Foreign exchange

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

2 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	1,500	1,100

3 Employees

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

	2022	2021
	Number	Number
Total	8	5

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 2 November 2021	12,405
Additions	88,859
At 1 November 2022	101,264
Depreciation and impairment	
At 2 November 2021	10,405
Depreciation charged in the year	22,715
At 1 November 2022	33,120
Carrying amount	
At 1 November 2022	68,144
At 1 November 2021	2,000

FALCON INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 1 NOVEMBER 2022

5 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	-	40,661
Other debtors	385,506	156,666
	<u>385,506</u>	<u>197,327</u>
	<u><u>385,506</u></u>	<u><u>197,327</u></u>
6 Current asset investments	2022	2021
	£	£
Other investments	35,589	636
	<u>35,589</u>	<u>636</u>
	<u><u>35,589</u></u>	<u><u>636</u></u>
7 Creditors: amounts falling due within one year	2022	2021
	£	£
Bank loans	10,000	10,000
Trade creditors	60,622	-
Corporation tax	81,930	61,665
Other taxation and social security	10,127	-
Other creditors	17,576	7,558
	<u>180,255</u>	<u>79,223</u>
	<u><u>180,255</u></u>	<u><u>79,223</u></u>
8 Creditors: amounts falling due after more than one year	2022	2021
	£	£
Bank loans and overdrafts	25,833	35,833
Other creditors	72,960	-
	<u>98,793</u>	<u>35,833</u>
	<u><u>98,793</u></u>	<u><u>35,833</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.