

Wealth Advisory Partners Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2022

DTL Auditors Ltd
Statutory Auditor
5th Floor, North Side
7-10 Chandos Street
London
W1G 9DG

Wealth Advisory Partners Limited

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Wealth Advisory Partners Limited

Company Information

| | |
|--------------------------|--------------------------------------|
| Directors | Mr Fedele Cova Ms Linda Garbarino |
| Company secretary | Laggan Secretaries Limited |

| | |
|--------------------------|---|
| Registered office | 5th Floor, North Side 7/10 Chandos Street Cavendish Square London W1G 9DQ |
|--------------------------|---|

| | |
|-----------------|--|
| Auditors | DTL Auditors Ltd Statutory Auditor 5th Floor, North Side 7-10 Chandos Street London W1G 9DG |
|-----------------|--|

Wealth Advisory Partners Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of the group is that of providing wealth advisory services.

Wealth Advisory Partners Limited

Strategic Report for the Year Ended 31 December 2022

Fair review of the business

OBJECTIVES AND POLICIES

WAP assets under management did grow in 2022. Indeed, the main objective of the company remains to consolidate the initial investors base and focus on acquiring more selected HNWI. Private clients' AUM are now £150m, with 14 different mandates at the end of the year.

2022 performances across mandates was negative, closing for the full year at an average -8%, contributing to shrink AUM and a more difficult environment for new client money. Despite this, 4 new accounts were signed.

Slow growth and consolidation of our current client base remains the main target of 2022, as our focus continues to be on performance and developing client relationships.

FAIR REVIEW OF THE BUSINESS

Wealth Advisory Partners Ltd advises and manages portfolios transparently, with robust risk parameters and controls, in a cost-effective way. The aim is to generate constant and predictable cash flows that substantially outperform the long-term cost of living of our typical investors. Achieving this goal ensures that a family can maintain its purchasing power unchanged and, hence, the lifestyle it is accustomed to and that it appreciates.

Wealth Advisory Partners Limited is 100% controlled by Mr. Fedele Cova and authorized and regulated in the UK by the Financial Conduct Authority. The German subsidiary is 100% controlled by Wealth Advisory Partners Ltd.

WAP has an extremely simple investment process where we identify the client's strategic objectives over the short, medium and long term.

All of our investment portfolios prioritize capital preservation and the achievement of spendable income over capital gains. With a distinct focus on capital preservation and income generation, WAP targets returns in excess of 3-5% per annum above German Bunds or US Treasuries with comparable maturities. This is more than the 2.40% - 3.20% average wealth growth in Western Europe for the last 3 years and is achieved through an actively traded and risk managed, diversified portfolio of bonds.

HNWI:

WAP operates a "Separately Managed Account" (SMA) business model, providing advice to private clients using a client's existing or newly established bank accounts.

Clients can choose among three main objectives:

Capital Preservation

Spendable Income

Capital Gains

WAP has agreements with a number of global custodian banks helping clients obtain significant cost savings. All external bank fees are paid directly by the client.

FUNDS:

Having managed fixed income portfolios for institutional clients for over two decades, Mr. Cova and WAP are capable of structuring and managing portfolios also for third party Fund managers.

Wealth Advisory Partners Limited

Strategic Report for the Year Ended 31 December 2022

Principal risks and uncertainties

Macroeconomic environmental risk

Fixed Income portfolios are subject to growth and inflation and how these two macroeconomic variables impact Central Banks' decisions for interest rates and foreign exchange policies. Geopolitical events are also crucial to the fixed income markets as political events influence government policies.

Credit Risk, Rate Risk and FX Risk

"Alpha" is generated through Credit Risk, Rate Risk and FX Risk on the basis of the individual requirements and risk tolerance of the client. The Company manages its foreign currency risk through its internal control.

Regulatory risk

The Company operates in a highly regulated sector. Consequently, the Company is exposed to several risks deriving from non-compliance with a wide range of laws and regulations. A robust governance framework is essential in order to manage this risk and it is a top priority of the Company.

Money Laundering/Financial crime risk

We approach the prevention of money laundering and financial crime using a risk-based approach. Each firm must appoint a Money Laundering Reporting Officer (MLRO) (or Nominated Officer) who is responsible for receiving disclosures under Part 7 of PoCA and Part 3 of the Terrorism Act and will also have responsibility for the oversight of the firm's compliance with the FCA's rules on systems and controls against money laundering activities. The MLRO is the key person in implementing the firm's strategies and policies in relation to money laundering. The MLRO (or Nominated Officer) of WAS is Linda Garbarino.

The Company is subject to a risk of criminal activities and potential losses due to improper use of its services (eg false identity, etc). In order to address this type of risk the Company has implemented robust and enhanced KYC/AML/Transaction monitoring processes.

We have appointed March Consultants LLP as independent Compliance Consultant. Our Clients also are subjected to KYC and AML scrutiny by their custodian bank.

Liquidity Risk

The Company must ensure that a sufficient liquidity level is always met, taking also into account regulatory requirements and any extraordinary losses. This is reached by a robust planning process, which has the full involvement of the management team. The Company also obtains financial support from its shareholder, Mr Fedele Cova.

Approved and authorised by the Board on 26 April 2023 and signed on its behalf by:

.....

Ms Linda Garbarino

Director

Wealth Advisory Partners Limited

Directors' Report for the Year Ended 31 December 2022

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

Directors of the group

The directors who held office during the year were as follows:

Mr Fedele Cova

Ms Linda Garbarino

Financial instruments

Objectives and policies

Price risk, credit risk, liquidity risk and cash flow risk

“Alpha” is generated through Credit Risk, Rate Risk and FX Risk on the basis of the individual requirements and risk tolerance of the client. The Company manages its foreign currency risk through its internal control.

The Company must ensure that a sufficient liquidity level is always met, taking also into account regulatory requirements and any extraordinary losses. This is reached by a robust planning process, which has the full involvement of the management team. The Company also obtains financial support from its shareholder, Mr Fedele Cova.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on 26 April 2023 and signed on its behalf by:

.....

Ms Linda Garbarino

Director

Wealth Advisory Partners Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Wealth Advisory Partners Limited

Independent Auditor's Report to the Members of Wealth Advisory Partners Limited

Opinion

We have audited the financial statements of Wealth Advisory Partners Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, 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 group's and the parent company's affairs as at 31 December 2022 and of the group's loss 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Emphasis of matter

We draw attention to Note 2 of the financial statements which describes the group's financial results for the year. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Wealth Advisory Partners Limited

Independent Auditor's Report to the Members of Wealth Advisory Partners Limited

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

The subsidiaries were audited by:

RF Treuhand GmbH
Wirtschaftsprüfungsgesellschaft
Scheidstraße 1
67655 Kaiserslautern
Germany

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], 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 Responsibilities for the audit of the financial statements

Wealth Advisory Partners Limited

Independent Auditor's Report to the Members of Wealth Advisory Partners Limited

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. 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.

As in all our audits, we also addressed the risk of management override of internal controls by testing journal entries and evaluating whether there was evidence of management bias which represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
John Tilitman ACA (Senior Statutory Auditor)

For and on behalf of DTL Auditors Ltd, Statutory Auditor

5th Floor, North Side

7-10 Chandos Street

London

W1G 9DG

Wealth Advisory Partners Limited

Independent Auditor's Report to the Members of Wealth Advisory Partners Limited

26 April 2023

Wealth Advisory Partners Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2022

| | Note | 2022 £ | 2021 £ |
|---------------------------------------|----------|-----------------|------------------|
| Turnover | <u>3</u> | 967,147 | 2,687,139 |
| Gross profit | | 967,147 | 2,687,139 |
| Administrative expenses | | (1,011,890) | (2,854,410) |
| Operating loss | <u>4</u> | (44,743) | (167,271) |
| Interest payable and similar expenses | <u>5</u> | 4,300 | (13,515) |
| Loss before tax | | (40,443) | (180,786) |
| Tax on loss | <u>9</u> | - | (40,809) |
| Loss for the financial year | | <u>(40,443)</u> | <u>(221,595)</u> |
| Profit/(loss) attributable to: | | | |
| Owners of the company | | <u>(40,443)</u> | <u>(221,595)</u> |

The above results were derived from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

Wealth Advisory Partners Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

| | 2022 £ | 2021 £ |
|--|------------------------|-------------------------|
| Loss for the year | <u>(40,443)</u> | <u>(221,595)</u> |
| Total comprehensive income for the year | <u><u>(40,443)</u></u> | <u><u>(221,595)</u></u> |
| Total comprehensive income attributable to: | | |
| Owners of the company | <u><u>(40,443)</u></u> | <u><u>(221,595)</u></u> |

Wealth Advisory Partners Limited

(Registration number: 10019736)

Consolidated Balance Sheet as at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|---|-----------|------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | <u>10</u> | 8,838 | 9,964 |
| Tangible assets | <u>11</u> | 3,482 | 5,580 |
| | | <u>12,320</u> | <u>15,544</u> |
| Current assets | | | |
| Debtors | <u>13</u> | 359,133 | 857,480 |
| Cash at bank and in hand | | <u>125,386</u> | <u>240,464</u> |
| | | 484,519 | 1,097,944 |
| Creditors: Amounts falling due within one year | <u>15</u> | <u>(560,890)</u> | <u>(1,137,096)</u> |
| Net current liabilities | | <u>(76,371)</u> | <u>(39,152)</u> |
| Net liabilities | | <u>(64,051)</u> | <u>(23,608)</u> |
| Capital and reserves | | | |
| Called up share capital | <u>16</u> | 165,000 | 165,000 |
| Retained earnings | | <u>(229,051)</u> | <u>(188,608)</u> |
| Equity attributable to owners of the company | | <u>(64,051)</u> | <u>(23,608)</u> |
| Shareholders' deficit | | <u>(64,051)</u> | <u>(23,608)</u> |

Approved and authorised by the Board on 26 April 2023 and signed on its behalf by:

.....
Ms Linda Garbarino
Director

Wealth Advisory Partners Limited
(Registration number: 10019736)
Balance Sheet as at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|---|-----------|----------------|----------------|
| Fixed assets | | | |
| Intangible assets | <u>10</u> | - | 144 |
| Tangible assets | <u>11</u> | 1,952 | 4,050 |
| Investments | <u>12</u> | 508,284 | 508,284 |
| | | <u>510,236</u> | <u>512,478</u> |
| Current assets | | | |
| Debtors | <u>13</u> | 298,371 | 740,449 |
| Cash at bank and in hand | | 15,388 | 177,397 |
| | | 313,759 | 917,846 |
| Creditors: Amounts falling due within one year | <u>15</u> | (583,015) | (1,188,712) |
| Net current liabilities | | (269,256) | (270,866) |
| Net assets | | <u>240,980</u> | <u>241,612</u> |
| Capital and reserves | | | |
| Called up share capital | <u>16</u> | 165,000 | 165,000 |
| Retained earnings | | 75,980 | 76,612 |
| Shareholders' funds | | <u>240,980</u> | <u>241,612</u> |

The company made a loss after tax for the financial year of £632 (2021 - profit of £43,625).

Approved and authorised by the Board on 26 April 2023 and signed on its behalf by:

.....
Ms Linda Garbarino
Director

Wealth Advisory Partners Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022 **Equity attributable to the parent company**

| | Share capital £ | Retained earnings £ | Total £ | Total equity £ |
|---------------------|--------------------|---------------------------|------------|-------------------|
| At 1 January 2022 | 165,000 | (188,608) | (23,608) | (23,608) |
| Loss for the year | - | (40,443) | (40,443) | (40,443) |
| At 31 December 2022 | 165,000 | (229,051) | (64,051) | (64,051) |

| | Share capital £ | Retained earnings £ | Total £ | Total equity £ |
|---------------------|--------------------|---------------------------|------------|-------------------|
| At 1 January 2021 | 165,000 | 32,987 | 197,987 | 197,987 |
| Loss for the year | - | (221,595) | (221,595) | (221,595) |
| At 31 December 2021 | 165,000 | (188,608) | (23,608) | (23,608) |

Wealth Advisory Partners Limited

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

| | Share capital £ | Retained earnings £ | Total £ |
|---------------------|--------------------|---------------------------|------------|
| At 1 January 2022 | 165,000 | 76,612 | 241,612 |
| Loss for the year | - | (632) | (632) |
| At 31 December 2022 | 165,000 | 75,980 | 240,980 |
| | Share capital £ | Retained earnings £ | Total £ |
| At 1 January 2021 | 165,000 | 32,987 | 197,987 |
| Profit for the year | - | 43,625 | 43,625 |
| At 31 December 2021 | 165,000 | 76,612 | 241,612 |

Wealth Advisory Partners Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|-----------|----------------|----------------|
| Cash flows from operating activities | | | |
| Loss for the year | | (40,443) | (221,595) |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation and amortisation | <u>4</u> | 3,225 | 4,768 |
| Income tax expense | <u>9</u> | - | 40,809 |
| | | (37,218) | (176,018) |
| Working capital adjustments | | | |
| Decrease/(increase) in trade debtors | <u>13</u> | 498,347 | (31,818) |
| (Decrease)/increase in trade creditors | <u>15</u> | (559,153) | 442,814 |
| Cash generated from operations | | (98,024) | 234,978 |
| Income taxes paid | <u>9</u> | (17,053) | (2,913) |
| Net cash flow from operating activities | | (115,077) | 232,065 |
| Cash flows from investing activities | | | |
| Acquisitions of tangible assets | | - | (3,992) |
| Acquisition of intangible assets | <u>10</u> | - | (9,820) |
| Net cash flows from investing activities | | - | (13,812) |
| Net (decrease)/increase in cash and cash equivalents | | (115,077) | 218,253 |
| Cash and cash equivalents at 1 January | | 240,464 | 22,211 |
| Effect of exchange rate fluctuations on cash held | | (1) | - |
| Cash and cash equivalents at 31 December | | <u>125,386</u> | <u>240,464</u> |

Wealth Advisory Partners Limited

Statement of Cash Flows for the Year Ended 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|-----------|-----------|-----------|
| Cash flows from operating activities | | | |
| (Loss)/profit for the year | | (632) | 43,625 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation and amortisation | <u>4</u> | 2,242 | 4,767 |
| Profit on disposal of intangible assets | | - | (293,940) |
| Income tax expense | <u>9</u> | - | 43,532 |
| | | 1,610 | (202,016) |
| Working capital adjustments | | | |
| Decrease in trade debtors | <u>13</u> | 442,078 | 85,213 |
| (Decrease)/increase in trade creditors | <u>15</u> | (588,644) | 494,430 |
| Cash generated from operations | | (144,956) | 377,627 |
| Income taxes paid | <u>9</u> | (17,053) | (5,636) |
| Net cash flow from operating activities | | (162,009) | 371,991 |
| Cash flows from investing activities | | | |
| Acquisition of subsidiaries | <u>12</u> | - | (508,284) |
| Acquisitions of tangible assets | | - | (2,462) |
| Proceeds from sale of intangible assets | | - | 293,940 |
| Net cash flows from investing activities | | - | (216,806) |
| Net (decrease)/increase in cash and cash equivalents | | (162,009) | 155,185 |
| Cash and cash equivalents at 1 January | | 177,397 | 22,211 |
| Effect of exchange rate fluctuations on cash held | | - | 1 |
| Cash and cash equivalents at 31 December | | 15,388 | 177,397 |

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

5th Floor, North Side
7/10 Chandos Street
Cavendish Square
London
W1G 9DQ
United Kingdom

These financial statements were authorised for issue by the Board on 26 April 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2022.

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

At the balance sheet date, the group had net liabilities of £64,051, and made a loss during the year of £40,443. In February 2023 the parent company increased the share capital by £236,000 in order to improve its capital reserves. The directors consider that the going concern basis continues to be appropriate for the accounts.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|--------------------|-------------------------------------|
| Plant & Machinery | 25% reducing balance |

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| Asset class | Amortisation method and rate |
|--|------------------------------|
| Patents, trademarks, licenses, concessions and similar | over 4 years, straight line |

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

| | 2022 | 2021 |
|-----------------------|----------------|------------------|
| | £ | £ |
| Sale of goods | 131,243 | 93,056 |
| Rendering of services | 835,904 | 2,594,059 |
| Interest received | - | 24 |
| | <u>967,147</u> | <u>2,687,139</u> |

4 Operating loss

Arrived at after charging/(crediting)

| | 2022 | 2021 |
|----------------------|-------------|-------------|
| | £ | £ |
| Depreciation expense | 2,243 | 4,768 |
| Amortisation expense | <u>982</u> | <u>-</u> |

5 Interest payable and similar expenses

| | 2022 | 2021 |
|---------------------------------|----------------|---------------|
| | £ | £ |
| Foreign exchange (losses)/gains | <u>(4,300)</u> | <u>13,515</u> |

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

| | 2022 | 2021 |
|------------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 282,106 | 729,916 |
| Social security costs | 12,629 | 648 |
| Other employee expense | <u>16,526</u> | <u>21,177</u> |
| | <u>311,261</u> | <u>751,741</u> |

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

| | 2022 | 2021 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Administration and support | 2 | 2 |
| Other departments | <u>1</u> | <u>1</u> |
| | <u>3</u> | <u>3</u> |

7 Directors' remuneration

The directors' remuneration for the year was as follows:

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

| | 2022 | 2021 |
|--------------|-------------|-------------|
| | £ | £ |
| Remuneration | 198,438 | 703,326 |

8 Auditors' remuneration

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Audit of these financial statements | 10,000 | 5,194 |
| Audit of the financial statements of subsidiaries of the company pursuant to legislation | 10,739 | 11,232 |
| | <u>20,739</u> | <u>16,426</u> |

9 Taxation

Tax charged/(credited) in the consolidated profit and loss account

| | 2022 | 2021 |
|---|-------------|---------------|
| | £ | £ |
| Current taxation | | |
| UK corporation tax | - | 65,509 |
| Deferred taxation | | |
| Arising from origination and reversal of timing differences | - | (24,700) |
| Tax expense in the income statement | <u>-</u> | <u>40,809</u> |

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

10 Intangible assets

Group

| | Goodwill | Trademarks, patents and licenses | Total |
|--------------------------|-----------------|---|--------------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 1 January 2022 | 9,820 | 1,299 | 11,119 |
| At 31 December 2022 | 9,820 | 1,299 | 11,119 |
| Amortisation | | | |
| At 1 January 2022 | - | 1,299 | 1,299 |
| Amortisation charge | 982 | - | 982 |
| At 31 December 2022 | 982 | 1,299 | 2,281 |
| Carrying amount | | | |
| At 31 December 2022 | 8,838 | - | 8,838 |
| At 31 December 2021 | 9,820 | 144 | 9,964 |

Company

| | Trademarks, patents and licenses | Total |
|--------------------------|---|--------------|
| | £ | £ |
| Cost or valuation | | |
| At 1 January 2022 | 1,299 | 1,299 |
| At 31 December 2022 | 1,299 | 1,299 |
| Amortisation | | |
| At 1 January 2022 | 1,299 | 1,299 |
| At 31 December 2022 | 1,299 | 1,299 |
| Carrying amount | | |
| At 31 December 2022 | - | - |
| At 31 December 2021 | 144 | 144 |

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

11 Tangible assets

Group

| | Other tangible assets £ | Total £ |
|--------------------------|--|--------------------|
| Cost or valuation | | |
| At 1 January 2022 | 20,496 | 20,496 |
| At 31 December 2022 | 20,496 | 20,496 |
| Depreciation | | |
| At 1 January 2022 | 15,842 | 15,842 |
| Charge for the year | 1,172 | 1,172 |
| At 31 December 2022 | 17,014 | 17,014 |
| Carrying amount | | |
| At 31 December 2022 | 3,482 | 3,482 |
| At 31 December 2021 | 5,580 | 5,580 |

Company

| | Other tangible assets £ | Total £ |
|--------------------------|--|--------------------|
| Cost or valuation | | |
| At 1 January 2022 | 18,966 | 18,966 |
| At 31 December 2022 | 18,966 | 18,966 |
| Depreciation | | |
| At 1 January 2022 | 15,842 | 15,842 |
| Charge for the year | 1,172 | 1,172 |
| At 31 December 2022 | 17,014 | 17,014 |
| Carrying amount | | |
| At 31 December 2022 | 1,952 | 1,952 |
| At 31 December 2021 | 4,050 | 4,050 |

12 Investments

Company

| | 2022 £ | 2021 £ |
|-----------------------------|-------------------|-------------------|
| Investments in subsidiaries | 508,284 | 508,284 |

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

| | |
|--------------------------|-----------------------|
| Subsidiaries | £ |
| Cost or valuation | |
| At 1 January 2022 | <u>508,284</u> |
| Provision | |
| Carrying amount | |
| At 31 December 2022 | <u><u>508,284</u></u> |
| At 31 December 2021 | <u><u>508,284</u></u> |

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking | Registered office | Holding | Proportion of voting rights and shares held | |
|-------------------------|-------------------|----------|---|------|
| | | | 2022 | 2021 |
| Subsidiary undertakings | | | | |
| WAP (Deutschland) AG | Germany | Ordinary | 100% | 100% |
| WAP Invest GmbH | Germany | Ordinary | 100% | 100% |

13 Debtors

| | Note | Group | | Company | |
|---------------------|-------------|----------------|----------------|----------------|----------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Current | | £ | £ | £ | £ |
| Trade debtors | | 226,849 | 704,292 | 180,287 | 610,598 |
| Other debtors | | 43,076 | 50,906 | 33,307 | 35,332 |
| Prepayments | | 27,432 | 33,891 | 23,001 | 26,128 |
| Accrued income | | 37,076 | 43,691 | 37,076 | 43,691 |
| Deferred tax assets | 9 | 24,700 | 24,700 | 24,700 | 24,700 |
| | | <u>359,133</u> | <u>857,480</u> | <u>298,371</u> | <u>740,449</u> |

14 Cash and cash equivalents

| | Group | | Company | |
|--------------|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Cash on hand | 474 | 449 | - | - |
| Cash at bank | 124,912 | 240,015 | 15,388 | 177,397 |
| | <u>125,386</u> | <u>240,464</u> | <u>15,388</u> | <u>177,397</u> |

Wealth Advisory Partners Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

15 Creditors

| | Note | Group | | Company | |
|---------------------------------|------|-----------|-----------|-----------|-----------|
| | | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Due within one year | | | | | |
| Trade creditors | | 80,500 | 318,614 | 73,532 | 308,470 |
| Amounts due to related parties | | 66,601 | - | 155,291 | 127,630 |
| Social security and other taxes | | 3,064 | 21,164 | 529 | 19,249 |
| Other payables | | 11,163 | 33,398 | 11,163 | 8,583 |
| Accruals | | 348,383 | 695,688 | 291,321 | 656,548 |
| Income tax liability | 9 | 51,179 | 68,232 | 51,179 | 68,232 |
| | | 560,890 | 1,137,096 | 583,015 | 1,188,712 |

16 Share capital

Allotted, called up and fully paid shares

| | 2022 | | 2021 | |
|----------------------------|----------------|----------------|----------------|----------------|
| | No. | £ | No. | £ |
| Ordinary Shares of £1 each | 165,000 | 165,000 | 165,000 | 165,000 |
| | <u>165,000</u> | <u>165,000</u> | <u>165,000</u> | <u>165,000</u> |

17 Controlling party

The Group's controlling party is Mr Fedele Cova.

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.