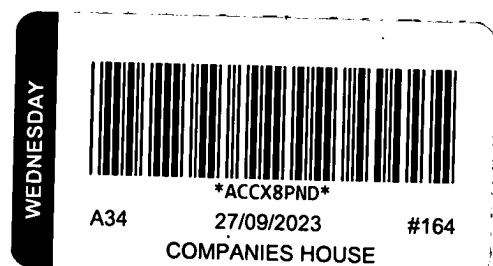


Registered number: 10373967

Blantyre Capital Limited

**Annual report and consolidated audited financial statements
For the year ended 31 December 2022**



Blantyre Capital Limited

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Blantyre Capital Limited

Company information

For the year ended 31 December 2022

Directors	M Mukadam B J Morison
Registered number	10373967
Registered office	11 th Floor 200 Aldersgate Street London United Kingdom EC1A 4HD
Independent auditor	Blick Rothenberg Audit LLP 16 Great Queen Street Covent Garden London WC2B 5AH

Blantyre Capital Limited

Strategic report

For the year ended 31 December 2022

The directors present their strategic report and consolidated audited financial statements for Blantyre Capital Limited (the "Company") for the year ended 31 December 2022. Blantyre Capital US LLC (the "LLC"), the Company's wholly owned subsidiary, was incorporated on 21 December 2018. The consolidated financial statements comprise the Company and the LLC (collectively the "Group").

Principal activity and review of business

The Company was incorporated on 14 September 2016 and is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, authorisation number 771579. The Company is registered as a full scope Alternative Investment Fund Manager ("AIFM") under Alternative Investment Fund Manager Directive ("AIFMD") and also registered as an investment manager under the Markets in Financial Instruments Directive ("MIFID"). The Company is registered as an Exempt Reporting Adviser with the Securities and Exchange Commission in United States of America.

The Company provided investment management services to unregulated collective investment schemes during the year, with a focus on special situations, stressed and distressed investment opportunities.

The principal activity of the LLC is to provide back office and strategic management services to the Company.

Directors' indemnities

The Company has qualifying third party indemnity provisions for the benefit of the Company's directors, which remain in force at the date of this report.

Future developments

The Company provides investment management and advisory services and the Company expects to continue to provide these services in future.

Section 172 statement

Under section 172 of the Companies Act 2006 ("the Act"), the directors have a duty to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of other stakeholders in the Company, and to do so with an understanding of the impact on the community and environment and with high standards of business conduct.

As part of the Company's deliberations and decision making process, the directors also take into account the following:

- (i) likely consequences of any decision in the long term;
- (ii) the interests of the Company's employees;
- (iii) the need to foster the Company's business relationships with suppliers, customers and others;
- (iv) the impact of the Company's operations on the community and the environment;
- (v) the desirability of the Company, maintaining a reputation for high standards of business conduct;
- and
- (vi) the need to act fairly between members of the Company.

During 2022, the directors gave careful consideration to the factors set out above in discharging their duties under section 172 of the Act. The directors recognise that building strong relationships with stakeholders will help deliver the Company's strategy in line with its long-term values. The directors are committed to effective engagement with all of the Company's stakeholders. The directors consider their significant stakeholder groups to be its employees, shareholder, investors, suppliers, the community, and the environment in the way that investments are made and managed.

The directors seek to understand the interests and views of the Group's stakeholders by engaging with them as appropriate.

Blantyre Capital Limited

Strategic report (continued) For the year ended 31 December 2022

The directors are very conscious of these wider responsibilities in the ways it promotes the Company's culture and ensures, as part of its regular oversight, that the integrity of the Company's affairs is foremost in the way the activities are managed and promoted. This includes regular engagement with the wider stakeholders of the Company, which more often takes place at an operational level, and being alert to issues that might damage the Company's standing in the way that it operates.

The Company's employees are key to the success of the Company, the directors ensure that employees are well informed on the developments of the business.

The directors seek to create value for its shareholder by generating strong and sustainable returns to provide a strong prospect of capital growth.

The Company has a dedicated investor relations staff, which ensures investor deadlines and requirements are met in a timely and professional manner. A quarterly newsletter is produced to provide insight into the performance and portfolio of the main private funds to which the Company acts as investment advisor.

The Company's suppliers are fundamental to the operations of the Company. The contractual arrangements with all the principal suppliers to the Company are reviewed regularly, alongside the performance of the suppliers in acquitting their responsibilities.

The directors ensure adherence to its Environmental, Social and Governance ("ESG") policy.

As a result of these activities, the directors believe it has demonstrated compliance with their legal duty under section 172 of the Act.

Principal risks and uncertainties

The principal risks and uncertainties affecting the business relate to the performance of the underlying funds advised by the Company.

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 18 April 2023 and signed on its behalf by:



B Morison
Director

Blantyre Capital Limited

Directors' report

For the year ended 31 December 2022

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

Results and dividends

The consolidated comprehensive income for the year after taxation, amounted to £2,155,064 (2021: £2,217,208). No dividend was paid in the year (2021: £nil).

Principal activity and future developments

Please refer to the strategic report on page 2.

Directors

The directors who served during the year and up to the date of this report were:

M Mukadam
B J Morison

Going concern

The directors believe the Group is a going concern, as with existing capital and associated revenues, the Group will have sufficient capital to meet its business requirements for a period of at least twelve months from the date of approval of the financial statements.

Relationship with stakeholders

The directors recognise that building strong relationships with stakeholders will help deliver the Company's strategy in line with its long-term values. The directors consider their significant stakeholder groups to be its employees; shareholder; investors; suppliers; the community and the environment in the way that investments are made and managed. The directors are committed to effective engagement with the Company's stakeholders and challenge management to ensure all stakeholder interests are considered in the day-to-day management and operations of the Company.

Further details are contained in the strategic report on page 2.

Statement of disclosure of information to auditor

At the date of approving this report, so far as the directors are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Blantyre Capital Limited

Directors' report (continued) **For the year ended 31 December 2022**

Independent auditor

Blick Rothenberg Audit LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the board meeting held to approve these financial statements.

This report was approved by the board on 18 April 2023 and signed on its behalf by:



B Morison
Director

Blantyre Capital Limited

Statement of directors' responsibilities **For the year ended 31 December 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 ("FRS 102"). 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;
- state whether applicable UK Accounting Standards comprising FRS 102 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 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.

Blantyre Capital Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLANTYRE CAPITAL LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Blantyre Capital Limited (the 'Company') and its subsidiary (the 'Group') for the year ended 31 December 2022, which comprise the Group statement of comprehensive income, the Group and Company balance sheets, the Group statement of cash flows, the Group statement of changes in equity and the 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 and of the Company's affairs as at 31 December 2022 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or 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 members 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.

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.

Blantyre Capital Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLANTYRE CAPITAL LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

We have nothing to report in this regard.

Opinion on other matters 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 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 or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 5, 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 auditors' 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:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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: enquiring of management concerning the Group's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Group's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Group's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the

Blantyre Capital Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLANTYRE CAPITAL LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Group operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act 2006, the Financial Services and Markets Act 2000 and applicable tax legislation.

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Group for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

Another focus area was non-compliance with the rules of the Financial Conduct Authority ('the FCA'). The Company was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the Company and the FCA, performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters with the appointed officers of the Company.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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.



Andrew Snook (senior statutory auditor)
for and on behalf of
Blick Rothenberg Audit LLP
Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH
Date: 18 April 2023

Blantyre Capital Limited

Consolidated statement of comprehensive income For the year ended 31 December 2022

		2022	2021
	Note	£	£
Revenue	4	9,529,302	9,187,429
Administrative expenses		(6,870,507)	(6,446,001)
Operating profit	5	2,658,795	2,741,428
Interest and similar income	8	3,464	1,852
Profit before taxation		2,662,259	2,743,280
Taxation	9	(510,091)	(526,407)
Profit after taxation		2,152,168	2,216,873
Other comprehensive income for the year	10	2,896	335
Total comprehensive income for the year		2,155,064	2,217,208

All activities are derived from continuing operations.

The notes on pages 16 to 26 form an integral part of these financial statements.

Blantyre Capital Limited

Consolidated statement of financial position
As at 31 December 2022

Registered number: 10373967

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	12	28,342	14,934
Intangible assets	13	219,514	532,492
		<u>247,856</u>	<u>547,426</u>
Current assets			
Debtors: Amounts falling due within one year	14	6,193,028	4,000,782
Cash and cash equivalents		1,494,145	2,002,521
		<u>7,687,173</u>	<u>6,003,303</u>
Creditors: amounts due within one year	15	<u>(1,889,540)</u>	<u>(2,660,304)</u>
Net current assets		<u>5,797,633</u>	<u>3,342,999</u>
Total assets less total liabilities		<u>6,045,489</u>	<u>3,890,425</u>
Capital and reserves			
Called up share capital	16	4,470,715	4,470,715
Retained earnings		1,574,774	(580,290)
		<u>6,045,489</u>	<u>3,890,425</u>

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 18 April 2023.



B Morison
Director

The notes on pages 16 to 26 form an integral part of these financial statements.

Blantyre Capital Limited

Company statement of financial position As at 31 December 2022

Registered number: 10373967

	Note	2022 £	2021 £
Fixed assets			
Investments	11	-	-
Tangible fixed assets	12	28,342	14,934
Intangible assets	13	219,514	532,492
		<u>247,856</u>	<u>547,426</u>
Current assets			
Debtors	14	6,102,934	3,998,070
Cash and cash equivalents		1,484,528	1,999,750
		<u>7,587,462</u>	<u>5,997,820</u>
Creditors: amounts due within one year	15	<u>(1,820,734)</u>	<u>(2,676,803)</u>
Net current assets		<u>5,766,728</u>	<u>3,321,017</u>
Total assets less total liabilities		<u>6,014,584</u>	<u>3,868,443</u>
Capital and reserves			
Called up share capital	16	4,470,715	4,470,715
Retained earnings		1,543,869	(602,272)
		<u>6,014,584</u>	<u>3,868,443</u>

The profit after tax for the Company for the year was £2,146,141 (2021: £2,210,013)

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 18 April 2023.



B Morison
Director

The notes on pages 16 to 26 form an integral part of these financial statements.

Blantyre Capital Limited

Consolidated statement of changes in equity For the year ended 31 December 2022

	Called up share capital £	Profit and loss reserve £	Total equity £
At 1 January 2021	4,570,715	(2,797,498)	1,773,217
Buyback and cancellation of share capital	(100,000)	-	(100,000)
Profit after taxation	-	2,216,873	2,216,873
Other comprehensive income	-	335	335
At 31 December 2021	4,470,715	(580,290)	3,890,425
Profit after taxation	-	2,152,168	2,152,168
Other comprehensive income	-	2,896	2,896
At 31 December 2022	4,470,715	1,574,774	6,045,489

The notes on pages 16 to 26 form an integral part of these financial statements.

Blantyre Capital Limited

Company statement of changes in equity For the year ended 31 December 2022

	Called up share capital £	Profit and loss reserve £	Total equity £
At 1 January 2021	4,570,715	(2,812,285)	1,758,430
Buyback and cancellation of share capital	(100,000)	-	(100,000)
Profit after taxation	-	2,210,013	2,210,013
At 31 December 2021	4,470,715	(602,272)	3,868,443
Profit after taxation	-	2,146,141	2,146,141
At 31 December 2022	4,470,715	1,543,869	6,014,584

The notes on pages 16 to 26 form an integral part of these financial statements.

Blantyre Capital Limited

Consolidated statement of cash flows For the year ended 31 December 2022

		2022	2021
	Note	£	£
Cash flows from operating activities			
Total comprehensive profit for the year		2,155,064	2,217,208
Adjustments for:			
Taxation	9	510,091	526,407
Net foreign exchange (gains)/losses		(443,642)	107,275
Depreciation of tangible fixed assets	12	12,868	8,417
Amortisation of intangible assets	13	312,978	312,978
Interest receivable and similar income	8	(3,464)	(1,852)
Tax paid		(1,201,271)	(1,863)
Placement fees paid		(8,069)	(407,430)
Increase in debtors		(1,291,252)	(2,964,920)
(Decrease)/increase in creditors		(813,470)	1,166,620
Net cash (used in)/generated from operating activities		(770,167)	962,840
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(26,276)	(12,944)
Increase in loans receivable		(63,833)	-
Interest received		-	1,852
Net cash utilised in investing activities		(90,109)	(11,092)
Cash from financing activities			
Consideration paid on buyback and cancellation of share capital	16	-	(100,000)
Net cash utilised in financing activities		-	(100,000)
Net (decrease)/increase in cash and cash equivalents		(860,276)	851,748
Cash and cash equivalents at the beginning of the year		2,002,521	1,258,600
Exchange differences on cash and cash equivalents		351,900	(107,827)
Cash and cash equivalents at the end of the year		1,494,145	2,002,521

The net funds reconciliation can be found on note 19.

The notes on pages 16 to 26 form an integral part of these financial statements.

Blantyre Capital Limited

Notes to the financial statements For the year ended 31 December 2022

1. General information

Blantyre Capital Limited (the "Company") is a private company limited by shares incorporated in England and Wales. The Company's registered office is 11th Floor, 200 Aldersgate Street, London, EC1A 4HD. The nature of the Company's operations and its principal activities are set out in the strategic report.

The Group comprises the Company, together with its wholly-owned subsidiary Blantyre Capital US LLC (the "LLC"). The registered office of the LLC is c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808. The principal activity of the LLC is to provide back office and strategic management services to Blantyre Capital Limited.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'. The consolidated financial statements comprise the Company and the LLC.

2. Accounting policies

2.1. Accounting convention and disclosure exemptions

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgement in applying the Group's accounting policies (note 3).

In preparation of these financial statements, the Company has relied on the exemption allowed under section 408 of the Companies Act 2006 and therefore an individual statement of comprehensive income for the Company has not been presented. The profit after tax of the Company for the year was £2,146,141 (2021: £2,210,013). As the Company is a qualifying entity for the purposes of FRS 102, the Company has taken the exemptions under section 1.12 of FRS 102 not to include a statement of cash flows for the Company.

The following principal accounting policies have been applied:

2.2. Going concern

The directors believe the Company is a going concern, as with existing capital and associated revenues, the Group will have sufficient capital to meet its business requirements for a period of at least twelve months from the date of approval of the financial statements.

2.3. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised on an accruals basis and excludes discounts, rebates, value added tax and other sales taxes.

2.4. Interest income

Interest income earned has been recognised on an accruals basis in the statement of comprehensive income.

Blantyre Capital Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

2. Accounting policies (continued)

2.5. Expenses

Expenses incurred have been recognised on an accruals basis in the statement of comprehensive income.

2.6. Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown within creditors as a liability in the statement of financial position. The assets of the pension plan are held separately from the Company in independently administered funds.

2.7. Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful life of the fixed assets, namely office equipment, is 3 years.

The residual values, useful lives and depreciation methods of the assets are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.8. Valuation of fixed asset investments

Investments in subsidiaries are held at cost.

2.9. Intangible fixed assets

Intangible fixed assets are made up of capitalised costs relating to securing investors for the funds managed by the Company. These are stated at historical cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged over the period which management fees related to the funds will be received, using the straight-line method.

2.10. Debtors

Short-term debtors and loans receivable are measured at transaction price, less impairment.

Blantyre Capital Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

2.11. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.12. Creditors

Short-term creditors are measured at the transaction price.

2.13. Operating leases

Operating leases are those leases where the Group has use of an asset but where significantly all risks and rewards of ownership remain with the lessor and the lease term is not expected to be a significant portion of the useful life of the asset.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Any incentives to enter into an operating lease are credited to the statement of comprehensive income as a reduction of the rental expense on a straight-line basis over the term of the lease.

2.14. Foreign exchange translation

The Company's functional currency is Pound sterling. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Gains and losses arising on translation are included in the statement of comprehensive income for the year.

2.15. Taxation

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

Current tax

Current tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Blantyre Capital Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

2.15 Taxation (continued)

Deferred tax

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date, in the country where the Company operates and generates income.

2.16. Financial instruments

Financial assets (including cash, trade debtors, a rent deposit, monies held by a third party, amounts owed by related parties and other debtors) are initially measured at transaction price (including transaction costs) and subsequently held at cost, less impairment. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Financial assets and liabilities are offset and the net amounts presented in the financial statements where 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.

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

In applying the Group's accounting policies, the directors may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenue and expenses during the year.

The directors have not been required to use a significant degree of judgement in determining the timing and value of amounts recognised in the financial statements.

The directors are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

Blantyre Capital Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

4. Revenue – Group

	2022 £	2021 £
Investment advisory fees	<u>9,529,302</u>	<u>9,187,429</u>

5. Operating profit - Group

The operating profit is stated after charging:

	2022 £	2021 £
Foreign exchange (gain)/loss	(351,916)	107,275
Depreciation (note 12)	12,868	8,417
Amortisation (note 13)	312,978	312,978
Staff costs (note 6)	4,689,200	4,066,517
Consultancy fees	491,921	589,558
Recruitment costs	48,750	61,800
Travel	215,264	35,899
Auditor's remuneration:		
- fees payable to auditor for the audit of the financial statements	19,250	17,500
Information providers	125,725	191,302
Operating lease rentals	84,292	84,172
Legal fees	<u>237,649</u>	<u>194,427</u>

6. Employees – Group

Staff costs including the directors were as follows:

	2022 £	2021 £
Wages and salaries	4,119,176	3,578,907
Social security costs	543,223	464,609
Pension contributions	<u>26,801</u>	<u>23,001</u>
	<u>4,689,200</u>	<u>4,066,517</u>

The average monthly number of employees, including the directors, during the year was 24 (2021: 21).

Blantyre Capital Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

7. Directors' remuneration - Group

Remuneration in respect of directors for the year was as follows:

	2022	2021
	£	£
Wages and salaries	220,000	220,000
Social security costs	29,339	28,226
Pension contributions	1,321	1,209
	<u>250,660</u>	<u>249,435</u>

8. Interest and similar income - Group

	2022	2021
	£	£
Interest on other loans	3,464	1,852
	<u>3,464</u>	<u>1,852</u>

9. Taxation – Group and Company

	Group	
	2022	2021
	£	£
Current tax		
UK corporation tax and deferred tax on profit for the year	508,060	50,025
UK Adjustment in respect of previous periods	95	766
US tax on profit for the year	1,936	268
Total current tax	<u>510,091</u>	<u>51,059</u>
Deferred tax		
Origination and reversal of timing differences	-	475,348
Total income tax	<u>510,091</u>	<u>526,407</u>

The tax on profit of the LLC has been estimated as 21% of profit before tax plus expected state taxes. 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 UK rate of tax as follows:

Blantyre Capital Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

9. Taxation – Group and Company (continued)

	Group	
	2022	2021
	£	£
Profit before taxation	<u>2,662,259</u>	<u>2,743,280</u>
Tax on profit at standard UK tax rate of 19% (2021: 19%)	505,829	521,223
Expenses not deductible	5,499	6,013
Additional capital allowance	(1,498)	(470)
Deferred tax not recognised	(258)	(39)
Tax rate changes	-	-
Adjustment from previous periods	95	766
Effect of different tax rates of subsidiaries	<u>424</u>	<u>(1,086)</u>
Total tax charge for year	<u>510,091</u>	<u>526,407</u>

Factors that may affect future tax charges:

The UK Government has passed as part of the Finance Bill 2021 that the main corporation tax rate will increase to 25% for financial years beginning 1 April 2023 for Companies with profit in excess of £250,000. The current main corporation tax rate will continue to apply to companies with an annual profit of less than £50,000.

10. Other comprehensive income - Group

	2022	2021
	£	£
Translation difference on consolidation	<u>2,896</u>	<u>335</u>

11. Investments – Company only

Blantyre Capital US LLC is a wholly owned subsidiary undertaking of the Company. No capital has been contributed to Blantyre Capital US LLC so the investment is held at the cost of £nil (2021: £nil).

Blantyre Capital Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

12. Tangible fixed assets – Group and Company

	Office equipment £
Cost	
At 1 January 2022	46,443
Additions	26,276
At 31 December 2022	<u>72,719</u>
Depreciation	
At 1 January 2022	31,509
Charge for the year	12,868
At 31 December 2022	<u>44,377</u>
Net book value	
At 31 December 2022	<u>28,342</u>
At 31 December 2021	<u>14,934</u>

13. Intangible fixed assets – Group and Company

	Cost of securing investors £
Cost	
At 1 January 2022 and 31 December 2022	<u>1,565,748</u>
Amortisation	
At 1 January 2022	1,033,256
Charge for the year	312,978
At 31 December 2022	<u>1,346,234</u>
Net book value	
At 31 December 2022	<u>219,514</u>
At 31 December 2021	<u>532,492</u>

The net book value at 31 December 2022 is due to be amortised within the next year.

Blantyre Capital Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

14. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts due from related parties	4,832,417	2,872,031	4,746,950	2,872,031
Corporation tax	640,015	-	640,015	-
Prepayments	375,210	353,647	372,092	353,647
VAT recoverable	144,821	247,635	144,821	247,635
Other debtors	133,551	244,657	130,725	241,945
Rent deposit	66,885	66,885	66,885	66,885
Trade Debtors	129	215,927	129	215,927
Amounts due from subsidiary	-	-	1,317	-
	<u>6,193,028</u>	<u>4,000,782</u>	<u>6,102,934</u>	<u>3,998,070</u>

Non-cash transactions:

On 30 December 2022, the Company converted intercompany receivables of £3,833,953 into interest bearing loan receivables. The maximum contractual term of the loan is 10 years, however, the directors expect that the loan will be repaid within 12 months of the year end.

15. Creditors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Taxation and social security	945,644	981,298	945,644	981,298
Trade creditors	343,810	1,256,483	309,259	1,241,528
Accruals	330,658	141,969	316,688	141,969
Amounts due to parent undertaking	233,356	91,343	213,399	97,214
Pension	26,775	14,723	26,775	14,723
Amounts due to related parties	9,297	-	8,969	-
Other creditors	-	115,612	-	115,612
Corporation Tax	-	50,791	-	50,791
Placement fees	-	8,085	-	8,085
Amounts due to subsidiary	-	-	-	25,583
Total creditors	<u>1,889,540</u>	<u>2,660,304</u>	<u>1,820,734</u>	<u>2,676,803</u>

Blantyre Capital Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

16. Share capital – Group and Company

	2022	2021
		£
Allotted, called up and fully paid		
256,608.33 (2021: 256,608.33) class 1 shares of £1 each	256,608	256,608
4,214,106.39 (2021: 4,214,106.39) class 2 shares of £1 each	4,214,107	4,214,107
	<u>4,470,715</u>	<u>4,470,715</u>

The class 1 and class 2 shares rank pari passu apart from no voting rights being attached to the class 2 shares, except in respect to a variation of their class rights.

17. Operating lease commitments

At 31 December 2022, the Group and Company had future minimum rentals under non-cancellable operating leases which expire on 28 September 2024 as follows:

	2022	2021
	£	£
No later than 1 year	98,648	55,890
Later than 1 year and no later than 2 years	82,766	-
	<u>181,414</u>	<u>55,890</u>

18. Related party transactions – Group and Company

During the year the Company made payments on behalf of entities under common influence of £2,039,887 (2021: £2,611,672) and at the year end an amount of £832,144 was due from those entities to the Company (2021: £2,872,031).

No disclosure has been made of the transactions with companies within the 100% owned group controlled by the Company's parent undertaking in accordance with section 33 of FRS 102.

19. Net funds reconciliation – Group and Company

	1 January 2022	Cash flows	Other non- cash movements	31 December 2022
	£	£	£	£
Cash at bank and in hand	2,002,521	(508,392)	16	1,494,145
Net funds	<u>2,002,521</u>	<u>(508,392)</u>	<u>16</u>	<u>1,494,145</u>

The non-cash movement within placement liabilities relates to an exchange rate difference of £16. As the placement fees are in a mixture of US Dollars and Euros, the outstanding liability was revalued monthly throughout the year.

Blantyre Capital Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

20. Parent undertaking and ultimate controlling party

The immediate parent undertaking is Blantyre Capital (Cayman) Ltd, which is incorporated in the Cayman Islands, and its registered office is PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands. Blantyre Capital (Cayman) Ltd does not prepare consolidated financial statements.

Mubashir Mukadam is deemed to have control of Blantyre Capital (Cayman) Ltd and is therefore considered the ultimate controlling party of Blantyre Capital Limited.

21. Post balance sheet events

On 10th March 2023 Silicon Valley Bank UK Ltd ("SVB UK"), the Company's primary banking provider, suffered inadequate liquidity and insolvency. Subsequent restructuring meant that SVB UK's operations were purchased by HSBC Bank PLC.

Silicon Valley Bank ("SVB US"), the US incorporated division of SVB and one of the Group's banking providers, suffered the same inadequate liquidity and insolvency issues as SVB UK. Following restructuring, its operations were purchased by First Citizens BancShares Inc.

On Monday 13th March 2023 SVB UK and SVB US were back open for business.

There are no other events to note.