

CONVICTION INVESTMENT PARTNERS LIMITED

Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2021

Conviction Investment Partners Limited

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Conviction Investment Partners Limited

Company Information

Director	R J Roberts
Registered office	1 King William Street London EC4N 7AF
Accountants	MHA Tait Walker Chartered Accountants Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Conviction Investment Partners Limited

(Registration number: 11087350)

Statement of Financial Position as at 31 March 2021

	Note	2021 £	2020 £
Current assets			
Debtors	4	62,763	121,484
Investments	5	101,415	90,147
Cash at bank and in hand		270,307	37,246
		<u>434,485</u>	<u>248,877</u>
Creditors: Amounts falling due within one year	6	<u>(302,112)</u>	<u>(249,982)</u>
Total assets less current liabilities		132,373	(1,105)
Creditors: Amounts falling due after more than one year	6	(108,333)	-
Provisions for liabilities		<u>(4,687)</u>	<u>(2,577)</u>
Net assets/(liabilities)		<u>19,353</u>	<u>(3,682)</u>
Capital and reserves			
Called up share capital		1	1
Share premium reserve		499	499
Profit and loss account		<u>18,853</u>	<u>(4,182)</u>
Total equity		<u>19,353</u>	<u>(3,682)</u>

For the financial year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Income Statement has been taken.

Approved and authorised by the director on 17 December 2021

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R J Roberts
Director

The notes on pages 3 to 7 form an integral part of these financial statements.

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is 1 King William Street, London, EC4N 7AF.

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

The company meets its day to day working capital requirements through cash generated from operations and shareholder funding. The director has assessed the potential impact of COVID-19 on the company and has implemented a business continuity plan to mitigate against this.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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 company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company 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 company's activities.

Tax

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

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021 (continued)

2 Accounting policies (continued)

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 company operates and generates taxable income.

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

Investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

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 company 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 company 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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021 (continued)

2 Accounting policies (continued)

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 5 (2020 - 3).

4 Debtors

	2021 £	2020 £
Trade debtors	18,925	56,189
Prepayments	18,838	19,642
Other debtors	25,000	45,653
	<u>62,763</u>	<u>121,484</u>

5 Current asset investments

	2021 £	2020 £
Unlisted investments	<u>101,415</u>	<u>90,147</u>

During the prior year, the company in which Conviction Investment Partners Limited owns unlisted shares was subject to a takeover. Conviction Investment Partners Limited received shares in the new company as consideration for the shares previously held. The company has revalued the investment to the implied takeover price. As part of the takeover Conviction Investment Partners Limited received additional shares in April 2020 and is due to receive additional shares in April 2021. The shares received in April 2021 are not included in the valuation as at the balance sheet date as the shares were not received at the balance sheet date.

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021 (continued)

6 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Bank loans and overdrafts	<u>7</u>	21,667	-
Trade creditors		43,149	12,712
Taxation and social security		13,531	13,249
Accruals and deferred income		11,240	10,006
Other creditors		201,160	200,768
Corporation tax liability		10,865	12,747
Director's loan account		500	500
		<u>302,112</u>	<u>249,982</u>

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	<u>7</u>	<u>108,333</u>	<u>-</u>

7 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	<u>21,667</u>	<u>-</u>
Non-current loans and borrowings		
Bank borrowings	<u>108,333</u>	<u>-</u>

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021 (continued)

8 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
A Shares of £0.001 each	1,000	1	1,000	1
B Shares of £0.001 each	112	-	112	-
	<u>1,112</u>	<u>1</u>	<u>1,112</u>	<u>1</u>

9 Financial commitments, guarantees and contingencies

Amounts disclosed in the statement of financial position

Included in the statement of financial position are pensions of £1,160 (2020 - £768).

10 Related party transactions

Summary of transactions with entities with joint control or significant interest

Conviction Investment Group Limited

During the year, Conviction Investment Partners Limited made a loan of £25,000 to Conviction Investment Group Limited, a related company by virtue of having common owners. At the year end, £25,000 (2020 - £Nil) was outstanding and included within other debtors. The loan is unsecured, interest free and repayable on demand.

Loans from related parties

	Key management £	Total £
2021		
At start of period	500	500
At end of period	<u>500</u>	<u>500</u>
	Key management £	Total £
2020		
Advanced	500	500
At end of period	<u>500</u>	<u>500</u>

Terms of loans from related parties

The directors loan is interest free and repayable on demand.

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.