

ARDENT FINANCIAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



ARDENT FINANCIAL LIMITED

COMPANY INFORMATION

Directors	Aidan Brady Peter Chung Leo Rokeach
Registered number	12254809
Registered office	27-28 Eastcastle Street London W1W 8DH

ARDENT FINANCIAL LIMITED

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ARDENT FINANCIAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Principal activities and business review

Ardent Financial Limited (the "Company") was authorised by the Financial Conduct Authority on 6 April 2020 to undertake its principal activity as a securities dealer. The directors intend to continue to develop the business.

Financial key performance indicators (KPIs)

The Company's directors consider trading income and costs as shown in the statement of profit and loss and other comprehensive income to be the Company's key financial KPIs.

Principal risks and uncertainties

The directors consider that the principal risks directly facing the business are reputational, market related and regulatory. The directors have implemented a risk management framework to recognise the risks faced by the Company and the steps required to mitigate them. More broadly, risks considered by the directors include:

Climate change

Climate change is unlikely to directly impact the Company's business operations. The impact of climate change on the financial markets, absent cataclysmic events, is likely to see an ongoing ebb and flow as individual corporates, more directly impacted, e.g. agricultural companies, fossil fuel industries, transport companies etc., adjust to new environmental rules and realities and we will witness a continuing cycle of corporate successes and failures. We expect asset managers to continue to deploy capital and adjust their risk profiles against this background and the Company will continue to support them in that regard.

COVID-19

The Company was launched during the course of the pandemic. The Company's intention from launch was to ensure it remained well capitalised, with a very liquid balance sheet, and maintain robust operational capabilities over the course of the pandemic. It is difficult to conduct a comparative assessment of the performance of the business relative to operating in an environment free of pandemic. Whereas a number of securities have been brought into focus, which might otherwise have not, equally, certain firms benefitted from exceptional government support while others remain unlikely to sustain operations. Accordingly, we believe the impact of the pandemic is neutral and the Company is broadly on track with the business plan which was prepared pre-pandemic.

ARDENT FINANCIAL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Other key performance indicators

Other KPIs which are considered by the management team include:

- Number of accounts opened by category
- Number of situations in which the company is active
- Volume of securities traded
- Pipeline of event driven situations

Review of Performance

In the company's first full year of operation, the company was profitable. This notable achievement was driven by detailed groundwork completed both in opening a significant number of accounts and building a robust platform. Furthermore, it was achieved against a market background, which saw periods of limited market activity, as investors adjusted to the emergence from Covid-19. The analytical team identified a number of situations where we could add value to our client base, helping them to adjust their risk profile, by both building and exiting situations. Over the course of the year, we continued to add to our distribution and analytical capabilities, building a world class team of event driven credit professionals.

Future development Plans

The Company expects to add additional capacity in sales and credit analysis. In addition the Company is exploring the establishment of a US office.

Directors' statement of compliance with duty to promote the success of the Company

The directors are aware of their duties under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing to have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the Company.

In carrying out their duties, the directors seek effective engagement with key stakeholders, including clients, employees and shareholders, and recognise the importance of their interests to the long term commercial success of the Company.

This report was approved by the board and signed on its behalf.



Peter Chung
Director

Date: 22/12/2022

ARDENT FINANCIAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS s adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Principal activity

The Company's principal activity is to act as a securities dealer.

The Company was authorised by the Financial Conduct Authority on 6 April 2020.

Going concern

The Company is well capitalised and has sufficient financial resource to maintain operations for at least 12 months following the date of approval of this report.

Whereas, COVID-19 brings significant incremental risk to many businesses, as the Company has no legacy operations, it is able to adjust its strategy to deal with the fallout from the crisis, mitigating potential financial risk. The directors are confident that demand for the Company's services will not be negatively impacted by COVID-19.

ARDENT FINANCIAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Results and dividends

The profit for the year, after taxation, amounted to \$1,067,881 (2020 -loss \$1,174,909).

During the year interim dividends totalling \$2,300,000 were paid on the preference shares. The directors have not recommended payment of a final dividend.

Directors

The directors who served during the year and to the date of signing of these financial statements were:

Aidan Brady
Peter Chung
Alexander Vaskevitch (resigned 14th December 2022)
Leo Rokeach

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Blick Rothenberg Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by



Peter Chung
Director

Date: 22/12/2022

ARDENT FINANCIAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDENT FINANCIAL LIMITED

Opinion

We have audited the financial statements of Ardent Financial Limited for the year ended 31 December 2021 which comprise the Statement of profit or loss and other comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies set out on pages 15 - 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

ARDENT FINANCIAL LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDENT FINANCIAL LIMITED
(CONTINUED)**

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

ARDENT FINANCIAL LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDENT FINANCIAL LIMITED
(CONTINUED)**

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 noncompliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company'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 Company'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 Company'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 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 Company 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 and applicable tax legislation.

A particular focus area included 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 Company 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.

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

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 auditor's report.

Peter Scott (senior statutory auditor)
for and on behalf of
Blick Rothenberg Audit LLP
Chartered Accountants
Statutory Auditor
16 Great Queen Street
London
WC2B 5AH
Date: 22/12/2022

ARDENT FINANCIAL LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
Revenue	4	7,851,229	2,183,045
Cost of sales		(150,892)	(9,989)
Other operating income		-	6,189
Administrative expenses		(6,407,385)	(3,344,567)
Profit/(loss) from operations		1,292,952	(1,165,322)
Finance expense		(6,766)	(9,587)
Profit/(loss) before tax		1,286,186	(1,174,909)
Tax expense	9	(218,305)	-
Profit/(loss) for the year		1,067,881	(1,174,909)
Total comprehensive income		1,067,881	(1,174,909)

The notes on pages 15 to 35 form part of these financial statements.

ARDENT FINANCIAL LIMITED
REGISTERED NUMBER: 12254809

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Assets			
Non-current assets			
Property, plant and equipment	11	204,248	341,049
Security deposit	13	1,353,150	-
		<u>1,557,398</u>	<u>341,049</u>
Current assets			
Trading assets	12	3,838,743	2,974,342
Trade and other receivables	13	76,339,098	7,665,240
Cash and cash equivalents	23	7,528,731	10,519,104
		<u>87,706,572</u>	<u>21,158,686</u>
Total assets		<u>89,263,970</u>	<u>21,499,735</u>
Liabilities			
Non-current liabilities			
Lease liabilities	15	19,662	110,263
Deferred tax liability	9	10,977	-
		<u>30,639</u>	<u>110,263</u>
Current liabilities			
Bank overdraft	23	30,652	-
Trade and other liabilities	14	69,569,859	5,830,161
Trading liabilities		6,874,694	1,767,024
Lease liabilities	15	87,649	91,818
		<u>76,562,854</u>	<u>7,689,003</u>
Total liabilities		<u>76,593,493</u>	<u>7,799,266</u>
Net assets		<u>12,670,477</u>	<u>13,700,469</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Issued capital and reserves			
Share capital	17	51,797	51,797
Share premium reserve		14,621,209	14,621,209
Capital contribution		30,000	30,000
Share based payment reserve		696,747	494,620
Accumulated loss		(2,729,276)	(1,497,157)
TOTAL EQUITY		12,670,477	13,700,469

The financial statements on pages 10 to 35 were approved and authorised for issue by the board of directors and were signed on its behalf by:



Peter Chung
Director

Date: 22/12/2022

The notes on pages 15 to 35 form part of these financial statements.

ARDENT FINANCIAL LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital \$	Share premium \$	Capital contribution \$	Share- based payment reserve \$	Accumulated loss \$	Total equity \$
At 1 January 2020	51,797	14,621,209	-	-	(322,248)	14,350,758
Comprehensive income/(expense) for the year						
Loss for the year	-	-	-	-	(1,174,909)	(1,174,909)
Total comprehensive income/(expense) for the year	-	-	-	-	(1,174,909)	(1,174,909)
Share based payment charge	-	-	-	494,620	-	494,620
Capital contribution received from a shareholder	-	-	30,000	-	-	30,000
Total contributions by and distributions to owners	-	-	30,000	494,620	-	524,620
At 31 December 2020	51,797	14,621,209	30,000	494,620	(1,497,157)	13,700,469
At 1 January 2021	51,797	14,621,209	30,000	494,620	(1,497,157)	13,700,469
Profit for the year	-	-	-	-	1,067,881	1,067,881
Total comprehensive income for the year	-	-	-	-	1,067,881	1,067,881
Dividends recognised as distributions to owners during the year	-	-	-	-	(2,300,000)	(2,300,000)
Share based payment charge	-	-	-	202,127	-	202,127
Total contributions by and distributions to owners	-	-	-	202,127	(2,300,000)	(2,097,873)
At 31 December 2021	51,797	14,621,209	30,000	696,747	(2,729,276)	12,670,477

The notes on pages 15 to 35 form part of these financial statements.

Details of the Company's share capital are given in note 17.

ARDENT FINANCIAL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Profit/(loss) for the year		1,067,881	(1,174,909)
Adjustments for			
Depreciation of property, plant and equipment	11	144,621	64,340
Finance income		6,766	4,567
Share-based payment expense		202,127	494,620
Net foreign exchange gain		(63,566)	(39,654)
Income tax expense	9	218,305	-
		<u>1,576,134</u>	<u>(651,036)</u>
Movements in working capital:			
Increase in trade and other receivables		(70,027,008)	(7,665,238)
Increase in inventories		(864,401)	(1,207,318)
Increase in trade and other payables		68,640,041	5,219,542
Net cash used in operating activities		<u>(675,234)</u>	<u>(4,304,050)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(7,820)	(147,701)
Net cash used in investing activities		<u>(7,820)</u>	<u>(147,701)</u>
Cash flows from financing activities			
Purchase of ordinary shares for cancellation		-	30,000
Dividends paid to the holders of the parent	10	(2,300,000)	-
Payment of lease liabilities (principal portion)		(100,729)	(81,296)
Net cash used in financing activities		<u>(2,400,729)</u>	<u>(51,296)</u>
Net cash decrease in cash and cash equivalents		<u>(3,083,783)</u>	<u>(4,503,047)</u>
Cash and cash equivalents at the beginning of year		10,519,104	14,961,375
Exchange gains on cash and cash equivalents		62,758	60,776
Cash and cash equivalents at the end of the year	23	<u><u>7,498,079</u></u>	<u><u>10,519,104</u></u>

The notes on pages 15 to 35 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies

1.1 Basis of preparation

The financial statements of Ardent Financial Limited ("the Company") have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the United Kingdom and in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities measured at fair value. The principal accounting policies, which have been consistently applied throughout the period presented, are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually reviewed and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. These financial statements are not subject to any matters involving critical judgements or estimates.

1.2 New standards, amendments and interpretations

The company has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

COVID-19-Related Rent Concessions – amendments to IFRS 16, and
Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods an on foreseeable future transactions.

1.3 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.4 Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate. The Company is well capitalised and has sufficient financial resource to maintain operations for at least 12 months following the date of signing of these financial statements.

Impact of COVID-19

The Company was launched during the course of the pandemic. The Company's intention from launch was to ensure it remained well capitalised, with a very liquid balance sheet, and maintain robust operational capabilities over the course of the pandemic. It is difficult to conduct a comparative assessment of the performance of the business relative to operating in an environment free of pandemic. Whereas a number of securities have been brought into focus, which might otherwise have not, equally, certain firms benefitted from exceptional government support while others remain unlikely to sustain operations. Accordingly, the directors believe the impact of the pandemic is neutral and the Company is broadly on track with the business plan which was prepared pre-pandemic.

1.5 Trading income, assets and liabilities

Trading assets and liabilities represent trading securities held by the Company at fair value. The fair value of financial assets and liabilities traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the reporting date.

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all fair value changes, interest, and foreign exchange differences.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.6 Leasing

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

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in Property, plant and equipment in the Statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 1.10.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.7 Foreign currency

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency ('foreign currencies') are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

1.8 Share-based payments

Share-based payment transactions of the Company

The Company has entered into equity-settled share-based payment transactions.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.9 Taxation

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates enacted or substantively enacted at the statement of financial position date.

Deferred tax is recognised on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements with the exception of deferred income tax assets which are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.10 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Leasehold improvements	straight line over the life of the lease
Office equipment	straight line over 3 years
Computer equipment	straight line over 3 years
Property leases	Over the life of the lease

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with maturities of three months or less. All are held with banks with strong external credit ratings.

1.12 Share capital and capital contributions

The Preference shares represent 4,000,000 fully paid shares which are redeemable at the Company's option half yearly. The Preference shares rank behind all creditors and above Ordinary shares on a winding up.

The Ordinary shares and Preference shares are classified as equity.

Contributions received from shareholders are considered non-refundable and are classified as equity.

1.13 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company initially recognises trade and other receivables, security deposits, trade and other payables and debt on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Financial instruments are recognised at transaction value and subsequently measured at amortised cost less expected credit losses, with the exception of trading financial instruments that are recognised and measured at fair value through profit or loss.

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Reporting entity

Ardent Financial Limited (the 'Company') is a limited company incorporated in England & Wales. The Company's registered office is at 27-28 Eastcastle Street, London, United Kingdom, W1W 8DH. The Company's principal activity is acting as a securities dealer.

3. Functional and presentation currency

These financial statements are presented in US dollars, which is the Company's functional currency. All amounts have been rounded to the nearest US dollar, unless otherwise indicated.

4. Net trading income

The following is an analysis of the Company's revenue for the year from continuing operations:

	2021 \$	2020 \$
Net trading income	<u>7,851,229</u>	<u>2,183,045</u>

The above net trading income includes unrealised foreign exchange gains on trading book of \$18,156 (\$2,566) and unrealised fair value losses/(gains) of \$909,044 (2020: \$(37,644)).

5. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2021 \$	2020 \$
Depreciation of property, plant & equipment	144,621	64,340
Foreign exchange gain/(loss)	<u>218,250</u>	<u>(41,574)</u>

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2021 \$	2020 \$
Fees payable to the Company's previous auditor for the audit of the Company's financial statements	87,978	54,712
Fees payable to the Company's previous auditor in respect of: Assurance related services	41,173	-
Fees payable to the Company's current auditor for the audit of the Company's financial statements	40,605	-
Fees payable to the Company's current auditor in respect of: All non-audit services not included above	<u>79,435</u>	<u>64,025</u>

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employee benefit expenses

	2021 \$	2020 \$
Employee benefit expenses (including directors) comprise:		
Wages and salaries	3,546,803	1,451,687
National insurance	479,710	207,755
Defined contribution pension cost	1,364	-
Share based payment expenses	202,127	494,620
	<u>4,230,004</u>	<u>2,154,062</u>

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and are the directors of the Company listed on page 1.

	2021 \$	2020 \$
Salary	1,836,949	775,176
Share based payment expense	33,265	50,473
	<u>1,870,214</u>	<u>825,649</u>

The highest paid director received remuneration of \$1,218,916 (2020: \$418,321)

The monthly average number of persons, including the directors, employed by the Company during the year was as follows:

	2021 No.	2020 No.
Operations and administration	<u>8</u>	<u>4</u>

In addition to those directly employed by the Company, a number of roles are outsourced to reputable suppliers, who have dedicated resources.

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Finance income and expense**Recognised in profit or loss**

	2021	2020
	\$	\$
Finance expense		
Bank interest payable	-	5,020
Interest on lease liabilities	6,766	4,567
Total finance expense	6,766	9,587
Net finance expense recognised in profit or loss	(6,766)	(9,587)

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Tax expense**9.1 Income tax recognised in profit or loss**

The income tax expense recognised in profit or loss is \$218,305 (2020: \$nil).

	2021 \$	2020 \$
Current tax on profits for the year	207,328	-
Total current tax	207,328	-
Origination and reversal of timing differences	16,929	-
Adjustments in respect of prior years	(3,852)	-
Recognition of previously unrecognised deferred tax assets	(2,100)	-
Total deferred tax	10,977	-
	218,305	-

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2021 \$	2020 \$
Profit/(loss) for the year	1,067,881	(1,174,909)
Income tax expense (including income tax on associate, joint venture and discontinued operations)	218,305	-
Profit/(loss) before income taxes	1,286,186	(1,174,909)
Tax using the Company's domestic tax rate of 19% (2020:19%)	244,375	(223,233)
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	79,556	101,878
Capital allowances for the year in excess of depreciation	23,834	(23,834)
Utilisation of tax losses	(128,562)	-
Other timing differences leading to an increase/(decrease) in taxation	(898)	-
Unrelieved tax losses carried forward	-	145,189
Total tax expense	218,305	-

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Tax expense (continued)**9.2 Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

	2021	2020
	\$	\$
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- tax losses (revenue in nature)	-	150,635
- other	-	(23,834)
	<u>-</u>	<u>126,801</u>

At 31 December 2021 the Company had carried forward tax losses of \$nil (2020: \$792,820). The resulting deferred tax asset has not been recognised due to uncertainties over the extent and timing of future recovery. The unused losses have no expiry date.

10. Dividends

	2021	2020
	\$	\$
Interim dividends of 62.5 cents (2020: \$nil) per preference share paid during the year	<u>2,300,000</u>	<u>-</u>

ARDENT FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Property, plant and equipment

	Leasehold improvements \$	Office equipment \$	Computer equipment \$	Property leases \$	Total \$
Cost or valuation					
At 1 January 2020	-	-	-	-	-
Additions	45,305	36,293	66,103	257,688	405,389
At 31 December 2020	45,305	36,293	66,103	257,688	405,389
Additions	-	-	7,820	-	7,820
At 31 December 2021	45,305	36,293	73,923	257,688	413,209
	Leasehold improvements \$	Office equipment \$	Computer equipment \$	Property leases \$	Total \$
Accumulated depreciation and impairment					
At 1 January 2020	-	-	-	-	-
Charge (owned) for the year	5,034	4,836	12,389	-	22,259
Charge (financed) for the year	-	-	-	42,081	42,081
At 31 December 2020	5,034	4,836	12,389	42,081	64,340
Charge (owned) for the year	15,102	12,098	23,291	-	50,491
Charge (financed) for the year	-	-	-	94,130	94,130
At 31 December 2021	20,136	16,934	35,680	136,211	208,961
Net book value					
At 1 January 2020	-	-	-	-	-
At 31 December 2020	40,271	31,457	53,714	215,607	341,049
At 31 December 2021	25,169	19,359	38,243	121,477	204,248

Assets included under Property leases represent the Company's right of use assets.

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Trading assets

	2021 \$	2020 \$
Financial instruments at fair value	<u>3,838,743</u>	<u>2,974,342</u>

13. Trade and other receivables

	2021 \$	2020 \$
Trade receivables	76,209,017	7,535,256
Trade receivables - net	<u>76,209,017</u>	<u>7,535,256</u>
Prepayments and accrued income	107,595	119,153
Other receivables	22,486	10,831
Security deposit	1,353,150	-
Total trade and other receivables	<u>77,692,248</u>	<u>7,665,240</u>
Less: current portion - trade receivables	(76,209,017)	(7,535,256)
Less: current portion - prepayments and accrued income	(107,595)	(119,153)
Less: current portion - other receivables	(22,486)	(10,831)
Total current portion	<u>(76,339,098)</u>	<u>(7,665,240)</u>
Total non-current portion	<u>1,353,150</u>	<u>-</u>

The carrying value of trade and other receivables classified as financial assets approximates fair value.

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Trade and other payables

	2021 \$	2020 \$
Trade payables	66,652,941	5,227,507
Accruals	2,629,462	526,613
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	69,282,403	5,754,120
Other payables - tax and social security payments	287,456	76,041
Total trade and other payables	69,569,859	5,830,161
Less: current portion - trade payables	(66,652,941)	(5,227,507)
Less: current portion - other payables	(287,456)	(76,041)
Less: current portion - accruals	(2,629,462)	(526,613)
Total current portion	(69,569,859)	(5,830,161)
Total non-current position	-	-

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Loans and borrowings

	2021 \$	2020 \$
Non-current		
Lease liabilities	19,662	110,263
	<u>19,662</u>	<u>110,263</u>
Current		
Overdrafts	30,652	-
Lease liabilities	87,649	91,818
	<u>118,301</u>	<u>91,818</u>
Total loans and borrowings	<u><u>137,963</u></u>	<u><u>202,081</u></u>

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

16. Trading liabilities

Financial instruments at fair value	<u><u>6,874,694</u></u>	<u><u>1,767,024</u></u>
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17. Share capital

Authorised

	2021 Number	2021 \$	2020 Number	2020 \$
Shares treated as equity				
Preference shares of \$0.01292 each	4,000,000	51,681	4,000,000	51,681
Ordinary shares of \$0.01292 each	9,000	116	9,000	116
	<u><u>4,009,000</u></u>	<u><u>51,797</u></u>	<u><u>4,009,000</u></u>	<u><u>51,797</u></u>

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Share capital (continued)**Issued and fully paid**

	2021 Number	2021 \$	2020 Number	2020 \$
Preference shares of \$0.01292 each				
At 1 January and 31 December	4,000,000	51,681	4,000,000	51,681
	2021 Number	2021 \$	2020 Number	2020 \$
Ordinary shares of \$0.01292 each				
At 1 January and 31 December	9,000	116	9,000	116

18. Leases**(i) Leases as a lessee**

The Company's lease liabilities relate to its office premises.

Lease liabilities are due as follows:

	2021 \$	2020 \$
Contractual undiscounted cash flows due		
Not later than one year	88,004	98,841
Between one year and five years	22,731	113,667
	110,735	212,508
Lease liabilities included in the Statement of financial position at 31 December	107,311	202,081
Non-current	19,662	110,263
Current	87,649	91,818

The following amounts in respect of leases have been recognised in profit or loss:

	2021 \$	2020 \$
Interest expense on lease liabilities	6,766	4,567

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Leases (continued)

Cash outflows during the year relating to lease liabilities were as follows: principal \$100,729 (2020: \$81,296); interest \$6,733 (2020: \$4,519).

19. Share based payments

During the year ended 31 December 2020 the Company granted 850 options with a weighted average exercise price of £0.01. The estimated weighted average grant date fair value of the options issued (using net asset value adjusted for estimated liquidation costs) was \$877 per share, and the weighted average remaining contractual life at 31 December 2021 was 11 months (2020: 12 months). The amount charged to profit and loss in respect of these options was \$202,127 (2020: \$494,620). The options vest automatically (no market conditions attached) in tranches on each of 28 February 2021, 28 February 2022 and 28 February 2023.

No options were granted or exercised during the year ended 31 December 2021. The current estimate of amounts to be transferred to the tax authority to settle the employee's tax obligations on exercise is immaterial.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Financial assets and liabilities

The following information is provided in accordance with the requirements of IFRS 7 Financial instruments:

Categories of financial assets and liabilities

Due to their short-term maturities, the fair values of the financial assets and liabilities at the date of the statement of financial position are not materially different to the carrying values as reported in the financial statements.

In addition to cash and cash equivalents of \$7,528,731 (2020: \$10,519,104) (see note 23) and trading assets of \$3,838,743 (2020: \$2,974,342) (see note 12), settlements receivable of \$76,209,017 (2020: \$7,535,256) included in trade and other receivables (see note 13), security deposits of \$1,353,150 (2020: \$nil) and trade and other receivables of \$nil (2020: \$129,897) represent the Company's financial assets totalling \$88,929,641 (2020: \$21,034,650). Trading assets and settlements receivable are carried at fair value while cash and cash equivalents and all other receivables are carried at amortised cost. None of the assets have been impaired and none are past due but not impaired.

In total financial assets measured at amortised cost were \$85,090,898 (2020: \$18,060,308) and those measured at fair value through P&L were \$3,838,743 (2020: \$2,974,342).

In addition to overdrafts and lease liabilities of \$137,963 (2020: \$202,081) (see note 15 and 23) and trading liabilities of \$6,874,694 (2020: \$1,767,024) (see note 14), payables of \$66,652,941 (2020: \$5,754,120) included in trade and other payables (see note 14) and accruals of \$80,128 (2020: \$76,041) represent the Company's financial liabilities totalling \$73,745,726 (2020: \$7,799,266). Trading liabilities are carried at fair value through P&L, lease liabilities are measured at amortised cost, representing discounted lease rentals, and all other liabilities are measured at amortised cost at the undiscounted amount due for payment within one year.

In total financial liabilities measured at amortised cost were \$66,870,222 (2020: \$6,032,242) and those measured at fair value through P&L were \$6,874,694 (2020: \$1,767,024).

All assets and liabilities carried at fair value are categorised as Level 1.

Risks arising from categories of financial assets and liabilities

The following summarises the principal risks associated with the Company's financial assets and liabilities and how those risks are managed:

Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations on the due date. The business is financed by its shareholders. The capital structure is reviewed regularly to ensure that it is adequate to fund the current and projected needs of the business. There are external capital maintenance requirements imposed by the Financial Conduct Authority, which require that the Company maintains capital at a certain level. There have been no breaches of these requirements in the year.

With the exception of the non-current portion of lease liabilities of \$19,662 (2020: \$110,263), the financial liabilities outlined above are all expected to be paid within the next year. The undiscounted liabilities due to be paid within one year total \$73,645,481 (2020: \$7,619,985) and those payable after one year total \$22,731 (2020: \$113,667).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Financial assets and liabilities (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional and reporting currency is US Dollars. The Company's exposure to currencies other than US Dollars (principally Pounds Sterling (GBP) and Euros) is regularly monitored, but no hedging arrangements have been entered into.

If the US Dollar-Euro exchange rate were to change by 10%, the impact of such a change on profit or loss for the year ended 31 December 2021 would be +/- \$513,410 (2020: \$559,313) as a result of changes to the carrying amount of Euro-denominated cash and amounts receivable/payable.

If the US Dollar-GBP exchange rate were to change by 10%, the impact of such a change on profit or loss year ended 31 December 2021 would be +/- \$155,752 (2020: \$58,662) as a result of changes to the carrying amount of GBP-denominated cash and amounts receivable/payable.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Trade and other receivables consist primarily of amounts due in relation to the settlement of trades with other financial institutions and are subject to loss allowances based on the 12-month expected credit loss model. As at 31 December 2021 none of these amounts were past due (2020: \$nil). As the company does not hold collateral its gross credit risk exposure is \$88,929,641 (2020: \$21,034,650).

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. At 31 December 2021, the Company's net trading liabilities totalled \$3,035,951 (2020: \$1,207,318 net trading asset). If market prices were to change by 10%, the impact of such a change on profit or loss year ended 31 December 2021 would be +/- \$303,595 (2020: +/- \$120,732) as a result of changes to the carrying value of these financial instruments.

Capital management

Capital comprises share capital and other reserves. The Company manages capital to safeguard its ability to continue as a going concern, to satisfy the requirements of the FCA and in order to provide long-term returns to its shareholders. There have been no breaches as regards the FCA requirements during the year.

21. Related party transactions

Details of transactions with key management personnel are disclosed in note 7.

22. Ultimate parent company and controlling party

The immediate and ultimate parent company is Stone Keep Capital Partners Ltd, a company registered in Jersey. The parent company does not produce consolidated financial statements. The ultimate controlling party is Peter Chung.

ARDENT FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Notes supporting statement of cash flows

	2021 \$	2020 \$
Cash at bank available on demand	7,528,731	10,519,104
Cash and cash equivalents in the statement of financial position	7,528,731	10,519,104
Bank overdrafts used for cash management purposes	(30,652)	-
Cash and cash equivalents in the statement of cash flows	7,498,079	10,519,104

24. Brexit

The UK withdrew from the European Union on the 31st January, 2020, with the transitional arrangements coming to a close on 31st December 2020. The UK entered into a trade agreement with the European Union, which does not cover Financial Services. Accordingly, the Company must now consider the regulatory environment in each of the individual European Union members, each of which will have a unique set of regulatory arrangements. To date, there has been a limited impact on the Company's operations, as the Company has relatively few clients and counterparties based in the European Union and we have the ability to access appropriately authorised Multi-Lateral Trading Facilities or acquire the required permissions, some of which are on a transitional basis.

25. Events after the reporting date

On 3 March 2021 the Chancellor of the Exchequer announced that the headline rate of corporation tax will rise from 19% to 25% for company profits over £250,000 from April 2023. This rate change was substantively enacted on 24 May 2021. There is no significant effect of this rate change on the company's deferred tax position. The change does not have a significant effect on the Company's overall tax position at 31 December 2021.

Subsequent to the financial year end, a counterparty advised the Company that it was not in a position to settle an agreed trade, as they had sold the underlying securities to both us and another entity. The Company is of the view that it has a binding contract with the counterparty and accordingly has engaged a legal litigation and arbitration specialist in order to pursue for full settlement of the trade or damages, in the event full settlement is not achievable. The company believes that it has a strong position and does not anticipate any loss as a result of the failure by the counterparty to honour its obligations.

There were no other material transactions or events affecting the Company between 31 December 2021 and the date that the financial statements were authorised for issue.