

2XL CAPITAL PARTNERS LTD

AUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2XL CAPITAL PARTNERS LTD

COMPANY INFORMATION

Director	Jamil Barraaj
Registered number	12458454
Registered office	1 Vincent Square London SW1P 2PN
Independent auditors	Wellers 1 Vincent Square London SW1P 2PN

2XL CAPITAL PARTNERS LTD

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

2XL Capital Partners Limited was founded in February 2020. It is an authorised and regulated entity by The FCA and specialises in running highly concentrated portfolios for family offices and ultra-net-worth individuals. The purpose of the report is to provide a strategic overview of the company for period ended 31/12/2022.

Business review

During 2022 we gained one new client who is considered to be a household name in the U.K. In line with our strategy of running highly concentrated portfolios our returns for him as well as other were better than market indices or benchmarks and in his case achieved a superb return last year. We continue to work hard to get more assets under management predominately from our existing clients who we are close to and have a decent track record running their money. Our returns last year were much better than markets and peers and this has been pointed out to us by our largest client in the Middle East. We are happy how our business is progressing especially after buying out the existing partner.

Principal risks and uncertainties

The principal risk is always to lose clients and hit a bad patch of achieving few years of bad results which could lead to loss of clients. We are confident that this is a low risk situation given the solid relationship we have with our customers which is based on trust and solid long term performance.

Financial key performance indicators

Turnover is a key performance indicator as well as new clients i.e. more AUMs and performance.

Other key performance indicators

Similar to the above i.e. gaining new business i.e. growing our AUM and sustaining good performance versus peers and market benchmarks in general.

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

.....
Jamil Barraj
Director

Date: 20 April 2023

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £63,286 (2021 - £3,792).

No dividends were declared in the period.

Directors

The directors who served during the year were:

Sari Anabtawi (resigned 1 August 2022)

Jamil Barraji

Future developments

In principle the company plans to grow organically unless management can find a similar company with likeminded managers and culture to potentially acquire or merge with. The purpose of this, if entertained is to accelerate growth and scale.

2XL CAPITAL PARTNERS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Wellers, 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.

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Jamil Barraji
Director

Date: 20 April 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 2XL CAPITAL PARTNERS LTD

Opinion

We have audited the financial statements of 2XL Capital Partners Ltd (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

Material uncertainty related to going concern

The company is reliant on a small number of customers which may cast doubt on the Company's ability to continue as a going concern. We draw attention to the going concern note 2.2 in the financial statements which states the company is expecting to grow and acquire more clients. Our opinion is not modified in respect of this matter.

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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included reviewing the performance of the company's investment management services to date, consideration of the company's ability to hold on to existing customers and the likelihood of the company acquiring new customers.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 2XL CAPITAL PARTNERS LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

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 set out on page 2, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 2XL CAPITAL PARTNERS LTD (CONTINUED)

Auditors' 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:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the company and therefore may have a material effect on the financial statements include compliance with FCA regulations.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud, undertaking specific testing in respect of the company's FCA registration.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 2XL CAPITAL PARTNERS LTD (CONTINUED)

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 Auditors' 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.

Mr Matthew Wyatt (Senior Statutory Auditor)

for and on behalf of

Wellers

1 Vincent Square

London

SW1P 2PN

20 April 2023

2XL CAPITAL PARTNERS LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Turnover	161,814	403,193
Gross profit	161,814	403,193
Administrative expenses	(80,500)	(391,851)
Operating profit	81,314	11,342
Tax on profit	(18,028)	(7,550)
Profit for the financial year	63,286	3,792
Total comprehensive income for the year	63,286	3,792

The notes on pages 14 to 22 form part of these financial statements.

2XL CAPITAL PARTNERS LTD
REGISTERED NUMBER: 12458454

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	4,313	5,335
		<u>4,313</u>	<u>5,335</u>
Current assets			
Debtors: amounts falling due within one year	11	164,742	283,767
Cash at bank and in hand	12	33,608	10,530
		<u>198,350</u>	<u>294,297</u>
Creditors: amounts falling due within one year	13	(42,590)	(212,850)
Net current assets		<u>155,760</u>	<u>81,447</u>
Total assets less current liabilities		<u>160,073</u>	<u>86,782</u>
Net assets		<u><u>160,073</u></u>	<u><u>86,782</u></u>
Capital and reserves			
Called up share capital	14	58,000	55,100
Share premium account		7,105	-
Profit and loss account		94,968	31,682
		<u>160,073</u>	<u>86,782</u>

2XL CAPITAL PARTNERS LTD
REGISTERED NUMBER: 12458454

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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Jamil Barra
Director

Date: 20 April 2023

The notes on pages 14 to 22 form part of these financial statements.

2XL CAPITAL PARTNERS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2022	55,100	-	31,682	86,782
Comprehensive income for the year				
Profit for the year	-	-	63,286	63,286
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	63,286	63,286
Shares issued during the year	2,900	7,105	-	10,005
Total transactions with owners	2,900	7,105	-	10,005
At 31 December 2022	58,000	7,105	94,968	160,073

The notes on pages 14 to 22 form part of these financial statements.

2XL CAPITAL PARTNERS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	100	27,890	27,990
Comprehensive income for the year			
Profit for the year	-	3,792	3,792
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,792	3,792
Shares issued during the year	55,000	-	55,000
Total transactions with owners	55,000	-	55,000
At 31 December 2021	55,100	31,682	86,782

The notes on pages 14 to 22 form part of these financial statements.

2XL CAPITAL PARTNERS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	63,286	3,792
Adjustments for:		
Depreciation of tangible assets	2,261	518
Taxation charge	18,028	7,550
Decrease/(increase) in debtors	92,591	(230,851)
(Decrease)/increase in creditors	(180,738)	174,764
Corporation tax received/(paid)	18,883	(185)
Net cash generated from operating activities	14,311	(44,412)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,238)	(5,854)
Net cash from investing activities	(1,238)	(5,854)
Cash flows from financing activities		
Issue of ordinary shares	10,005	55,000
Net cash used in financing activities	10,005	55,000
Net increase in cash and cash equivalents	23,078	4,734
Cash and cash equivalents at beginning of year	10,530	5,796
Cash and cash equivalents at the end of year	33,608	10,530
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	33,608	10,530
	33,608	10,530

The notes on pages 14 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

2XL Capital Partners Limited is a private company limited by share capital, incorporated in England and Wales, registration number 12458454. The address of the registered office is 1 Vincent Square, London, SW1P 2PN. The address of the principal place of business is 4th Floor, 17 Hanover Square, Mayfair, London, W1S 1BN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The company to date has performed well, making a profit in both 2021 and 2022. The company has continually achieved competitive returns on client investments strengthening relationships with existing customers. The company is confident that its good performance to date will continue subsequently leading to improved reputation and new clients as the company continues to grow.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Revenue

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 measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Pensions

Defined contribution pension plan

The Company contributes to 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in profit or loss except that a charge 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 balance sheet date in the countries where the Company operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model 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 so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33%	Straight line basis
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The assets' residual values, useful lives and depreciation methods 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 profit or loss.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The items in the financial statements where these adjustments have been made include the useful life of fixed assets.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	<i>2021</i>
	£	<i>£</i>
Management fees	161,814	<i>162,778</i>
Performance fees	-	<i>240,415</i>
	<u>161,814</u>	<i><u>403,193</u></i>

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Exchange differences	564	667
Other operating lease rentals	<u>50,648</u>	<u>60,321</u>

6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	6,000	6,000

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£	£
Wages and salaries	(45,682)	206,667
Social security costs	(14,573)	22,544
Cost of defined contribution scheme	767	318
	<u>(59,488)</u>	<u>229,529</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Employees	<u>2</u>	<u>3</u>

8. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	(96,159)	169,167
	<u>(96,159)</u>	<u>169,167</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	18,028	7,550
	18,028	7,550
Total current tax	18,028	7,550
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	18,028	7,550

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022	2021
	£	£
Profit on ordinary activities before tax	81,314	11,342
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	15,450	2,155
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,884	1,188
Capital allowances for year in excess of depreciation	(306)	(1,112)
Adjustments to tax charge in respect of prior periods	-	5,319
Total tax charge for the year	18,028	7,550

Factors that may affect future tax charges

On 1 April 2023, the main rate of corporation tax will increase from 19% to 25%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2022	5,854
Additions	1,238
	<hr/>
At 31 December 2022	7,092
	<hr/>
Depreciation	
At 1 January 2022	518
Charge for the year on owned assets	2,261
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At 31 December 2022	2,779
	<hr/>
Net book value	
At 31 December 2022	4,313
	<hr/>
At 31 December 2021	5,335
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Debtors

	2022 £	2021 £
Other debtors	121,253	147,686
Prepayments and accrued income	43,489	136,081
	<u>164,742</u>	<u>283,767</u>

12. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	33,608	10,530
	<u>33,608</u>	<u>10,530</u>

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	5,024	23,490
Corporation tax	18,028	7,550
Other taxation and social security	13,915	5,636
Other creditors	123	-
Accruals and deferred income	5,500	176,174
	<u>42,590</u>	<u>212,850</u>

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
58,000 (2021 - 55,100) Ordinary shares of £1.00 each	<u>58,000</u>	<u>55,100</u>

During the year, 2,900 ordinary shares of £1.00 each were issued fully paid for at £3.45.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Pension commitments

The Company contributes into a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £767 (2021: £318). No liability existed at the balance sheet date.

16. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	-	49,500
	<u>-</u>	<u>49,500</u>

17. Related party transactions

As at the year end, there were amounts owed of £114,245 (2021: owed to £122,861) by J Barraaj, and £Nil (2021: owed to £50) by S Anabtawi, directors and shareholders of the company.

There are no strict repayment terms in place and there is no interest accruing on these balance.

18. Controlling party

J Barraaj is the director of the company and has ultimate control by virtue of his majority shareholding.

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