Dinosaur Merchant Bank Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

Company Registration No. 4977073 (England and Wales)

Dinosaur Merchant Bank Limited

Company Information

Directors	G Grossman M Abanilla J Bloch R Frith
Secretary	I Choo
Company number	4977073
Registered office	Vinters Place 68 Upper Thames Street London EC4V 3BJ
Auditor	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP

Dinosaur Merchant Bank Limited

Contents

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

Fair review of the business
The results for the period and the financial position at the end of the period were not considered satisfactory by the Directors. However, we attribute much of this to the costs of restructuring to adapt to the continuing challenges presented by Brexit and the UK's changing regulatory regime as well as:

1. Current market conditions due to the war in Ukraine, rising interest rates and worldwide inflationary concerns. This has resulted in reduced trading, and reduced financing as many of our clients have withdrawn to safe havens of cash and short term high grade securities.
2. The FCA policies and procedures for regulating companies has significantly changed over the past few years and has been much more invasive which has significantly increased our cost of doing business and diverted resources. For the past 3 years we have been subject two Section 166 skilled professionals reviews. The end results of both reviews were positive and gave assurance to our Directors that our systems and procedures are more than appropriate. While we are better prepared for the future our profits were severely impacted during the period.
3. Electronic trading systems continue to take on more and more market share of institutional agency brokerage and significantly reducing profit margins. As such we have taken steps to adjust our business model.
4. Closing our Milan branch which could not survive the pandemic was at great cost to the Company, as can be seen in the Profit and Loss accounts which breaks out results from discontinued operations in the prior year.
5. The after affects of the pandemic including staff compensation and filling vacant positions.

In 2023, we will reduce overheads, and scale back some operations which are no longer viable, while developing new ones which are more in tune with the current market. Our focus in 2023 will continue to be to develop systems for greater efficiency and cost savings; and expand the cost and capabilities of compliance oversight as required.

One of our initiatives will be to continue to develop our coverage of emerging markets, which can involve some high risk jurisdictions which necessitates the ability to make enhanced due diligence an important requirement and capability.

We must also increase our bank lines and financing businesses including; repurchase agreements, term loans and margin finance which goes hand in hand with custody services.

The company conducts significant R&D, which includes focusing on further developing upon our in-house trade management system dubbed DC2. To remain at the forefront of technology, Dinosaur Merchant Bank has continued to expand and improve our in-house trade management system so that we remain agile, innovative, and capable of quickly adapting and responding to new financial regulatory requirements and change. This is to ensure that we can offer in-house financial technologies that are secure, robust, and performant to support to financial requirements of our diverse sets of clients.

In August 2023, the company issued non-voting 1% preferred shares for total consideration of $20 million USD.

Principal risks and uncertainties
As a service provider the directors consider that the key financial risk exposures faced by the company relate to counterparty risk and the need to maintain sufficient liquidity to satisfy regulatory capital requirements and working capital needs.

The company does not take trade positions which expose it to material price risk nor does it have a material exposure to foreign exchange movements. Market risk is not so much a factor for the company, as we do not take proprietary positions and are market neutral at all times. We are concerned about counterparty risk exposure and we are increasing our surveillance of client monitoring, credit and trade date fails.
Counterparty/credit risk includes risks from possible bad debts as a result of client default, loss of cash balances due to trading counterparty failure, and contingent liabilities due to cross-entity default.

The collateral management desk together with the risk department is responsible for the daily monitoring of positions against the margin thresholds negotiated with each counterparty. When the values exceed such thresholds the collateral management desk, after informing the risk department, is responsible for making collateral calls. Both the collateral management desk and risk department consider it their responsibility to make sure senior management is aware of all collateral valuation issues.

Particularly with regard to credit risk management, Board approval is required for:

• The Credit Risk Management Policy and Procedures; and
• The company's credit risk appetite.

The credit framework is reviewed at least annually to ensure its continued appropriateness. In normal circumstances, reviews will coincide with completion of the annual planning cycle.

In addition, the Board will periodically receive information on:
• The company's compliance with its overall credit risk appetite; and
• Potential credit risk vulnerabilities that have been appropriately escalated and are being actioned through the Risk Department and Compliance Committee.

The Policy and overall approach to credit risk management aligns with the DMBL Risk Management Framework. It follows the guiding principles of three lines of defence model and "top down" and "bottom-up approach" to risk identification and assessment. In addition, the regulatory and internal requirements reflect the Company's risk requirements, and are necessarily integrated closely with the planning processes and RMF, for example:
• The Company's risk appetite in relation to credit risk is integrated into the Risk Appetite Statement; and
• Reporting of the Company's actual credit risk profile against the risk appetite and related subsidiary measures is integrated into the Company's overall risk reporting structures.
Credit risk exposure is monitored in accordance with the credit risk metrics, limits and thresholds identified as part of establishing the DMBL Risk Appetite Statement.

The Risk Department and the Compliance Committee compile and review risk MI on an ongoing basis Significant breaches of stated credit risk limits are escalated immediately.

Daily monitoring and recording of key credit risk exposures, including trading positions, settlements and security deposits is a cornerstone of credit risk monitoring at DMBL.

Key performance indicators
Key performance indicators are considered to be:

	2022, £	2021, £	2020, £
Turnover from continuing operations	17,249,459	13,669,400	20,463,231
Net assets	8,907,628	9,163,096	9,982,686
(Loss)/profit before taxation	(367,745)	(1,270,844)	(1,601,235)
(Loss)/profit after taxation	(307,978)	(1,177,604)	(1,209,955)

Capital and financial risk management
The company seeks to ensure that it has sufficient capital to operate its business successfully and to meet regulatory requirements.

The company undertakes an annual internal capital and risk assessment (ICARA) which incorporates an assessment of the business model, forecasting and stress testing, recovery planning and wind-down planning. The ICARA is reviewed, challenged, and approved by the board.

For the year, the company's capital remained in the region of £9m, of which total cash at bank was £7,698,397 (2021: £30,936,256) which compared to the company's permanent minimum capital requirement, of £750,000.

The company is budgeted to continue growing its revenue and returning to profit despite challenging current market conditions due to the war in Ukraine, riding interest rates and global inflationary pressures affecting margins and causing a slowing in customer demand. Management believes the company has adequate capital resources to meet its regulatory and business requirements over the next twelve months.

Statement by the directors relating to their statutory duties under section 172(1) of the Companies Act 2006

The directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its member, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and the environment;
- Desirability of the company maintaining a reputation for high standards of business conduct;
- Need to act fairly as between members of the company.

The directors' regard to these matters is embedded in their decision-making process, through the company's business strategy, culture, governance framework, management information flows and stakeholder engagement processes. The company's business strategy is focused on achieving success for the company in the long term. In setting this strategy, the board takes into account the impact of relevant factors and stakeholder interests on the company's performance. The board also identifies principal risks facing the business and sets risk management objectives. The board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. The board ensures these core values are communicated to the company's employees and embedded in the company's policies and procedures and its risk control and oversight framework. The board recognises that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long term values, and operate a sustainable business.

Stakeholders

The board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the company. The board regularly discuss issues concerning employees, clients & investors, suppliers, community and environment, regulators and its shareholder, which it takes into account in its decision-making process. In addition to this, the board seeks to understand the interests and views of the company's stakeholders by engaging with them directly when required. Our key stakeholders and how we engage with each is summarised below:

Employees - Our employees contribute to a positive working culture and healthy working environment. Employees are key to the success of our business. In addition to aiming to be a responsible employer in our approach to pay and benefits, we continue to engage with our team to ascertain which training and development opportunities should be made available to improve our team's productivity and our individual employees' potential within the business. We continually invest in employee development and wellbeing to create and encourage an inclusive culture within the organisation. Our employee appraisal programme encourages employee feedback and facilitates the opportunity for both employees and directors to set performance goals on an annual basis. Our culture invites different perspectives, new ideas and opportunities for growth. We work hard to ensure employees feel welcome and are valued and recognised for their hard work.

Clients & investors - Clients & investors are at the centre of our business. We aim to build lasting relationships with current and potential clients to understand their objectives and requirements. We are in regular contact with clients in order to meet their needs.

Suppliers - We work with a wide range of suppliers and remain committed to being fair and transparent in our dealings with all of our suppliers. The company has procedures in place requiring due diligence of suppliers as to their internal governance, including for example, their anti-bribery and corruption practices, data protection policies and modern slavery matters. The company has systems and procedures in place to ensure suppliers are paid in a timely manner.

Regulators - Having a positive dialogue with our regulators means we can help them to understand our business model and strategy, our culture and our focus for doing the right thing for our clients. We aim to achieve a transparent relationship with our regulators, as well as providing an insight into any challenges we may face.

Community and The Environment - Considering the impact of our actions as a business on the wider interests of society is an important part of being a responsible business. As investors, our decisions can have a wider impact and we take our stewardship responsibilities seriously. We see ourselves as part of the communities in which we live and work, and seek to actively contribute, and actively engaging with them is an important part of who we are.

On behalf of the board

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G Grossman
Director
16/09/2023

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

Principal activities
Dinosaur Merchant Bank Limited is a company of global capital markets experts that provide a variety of financial services to a broad range of customers. These services include prime brokerage and institutional investment services, investment banking, asset and wealth management and sales and trading. The company has a branch in Madrid, Spain and the wider group has a significant presence in North America.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Grossman	
M Abanilla	
P Becker	(Resigned 17 February 2023)
J Bloch	
A Brooks	(Resigned 21 March 2022)
R Frith	

Results and dividends
The results for the year are set out on page 13.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

MIFIDPRU 8 disclosures
The company is regulated by the Financial Conduct Authority ('FCA') in the UK and is subject to minimum capital requirements imposed by the Regulator and the Investment Firms prudential regime ('IFPR'). The IFPR is the FCA's new prudential regime for MiFID investment firms, which came into force on 1 January 2022.

Details of the company's unaudited IFPR disclosures as required under MiFIDPRU 8 are appended to the financial statements filed at Companies House.

Auditor
The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

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G Grossman

Director

Date: 16/09/2023

Independent Auditor's Report

To the Members of Dinosaur Merchant Bank Limited

Opinion
We have audited the financial statements of Dinosaur Merchant Bank Limited (the 'company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor'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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, (Note 19).

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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our 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, 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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

Moore Kingston Smith

Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP

Date: 16/09/2023

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Dinosaur Merchant Bank Limited

Profit and loss account

For the year ended 31 December 2022

	Notes	Continuing operations £	Discontinued operations £	31 December 2022 £	Continuing operations £	Discontinued operations £	31 December 2021 as restated £
Turnover	3	17,420,411	-	17,420,411	13,669,400	45,556	13,714,956
Cost of sales		(8,702,385)	-	(8,702,385)	(6,998,654)	(71,983)	(7,070,637)
Gross profit		8,718,026	-	8,718,026	6,670,746	(26,427)	6,644,319
Administrative expenses		(9,759,143)	-	(9,759,143)	(7,770,051)	(764,158)	(8,534,209)
Other operating income		540,072		540,072	-	-	-
Exceptional item	4	133,300	-	133,300	619,046	-	619,046
Operating loss	5	(367,745)	-	(367,745)	(480,259)	(790,585)	(1,270,844)
Interest receivable and similar income		-	-	-	102	-	102
Loss before taxation		(367,745)	-	(367,745)	(480,157)	(790,585)	(1,270,742)
Tax on loss	9	59,767	-	59,767	93,138	-	93,138
Loss for the financial year		(307,978)	-	(307,978)	(387,019)	(790,585)	(1,177,604)

Dinosaur Merchant Bank Limited

Balance Sheet

As at 31 December 2022

	Notes	2022 £	2022 £	2021 as restated £	2021 as restated £
Fixed assets					
Intangible assets	10		257,165		342,887
Tangible assets	11		36,364		46,032
			293,529		388,919
Current assets					
Debtors	12	725,949,278		426,721,184	
Cash at bank and in hand		7,698,397		30,936,256	
		733,647,675		457,657,440	
Creditors: amounts falling due within one year	13	(725,086,086)		(448,883,263)	
Net current assets			8,561,589		8,774,177
Total assets less current liabilities			8,855,118		9,163,096
Capital and reserves					
Called up share capital	15		12,081,135		12,081,135
Profit and loss reserves			(3,226,017)		(2,918,039)
Total equity			8,855,118		9,163,096

The financial statements were approved by the board of directors and authorised for issue on 16/09/2023 and are signed on its behalf by:

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G Grossman
Director

Company Registration No. 4977073

Dinosaur Merchant Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2021		11,723,121	(1,740,435)	9,982,686
Year ended 31 December 2021:				
Loss and total comprehensive income for the year		-	(1,177,604)	(1,177,604)
Issue of share capital	**15**	358,014	-	358,014
Balance at 31 December 2021		12,081,135	(2,918,039)	9,163,096
Year ended 31 December 2022:				
Loss and total comprehensive income for the year		-	(307,978)	(307,978)
Balance at 31 December 2022		12,081,135	(3,226,017)	8,855,118

Dinosaur Merchant Bank Limited

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	2022		2021 as restated	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(23,501,463)		11,558,739
Income taxes refunded			283,129		178,582
Net cash (outflow)/inflow from operating activities			(23,218,334)		11,737,321
Investing activities					
Purchase of tangible fixed assets		(19,525)		(8,685)	
Interest received		-		102	
Net cash used in investing activities			(19,525)		(8,583)
Financing activities					
Proceeds from issue of shares		-		358,014	
Net cash (used in)/generated from financing activities			-		358,014
Net (decrease)/increase in cash and cash equivalents			(23,237,859)		12,086,752
Cash and cash equivalents at beginning of year			30,936,256		18,849,504
Cash and cash equivalents at end of year			7,698,397		30,936,256

1 Accounting policies

Company information
Dinosaur Merchant Bank Limited is a private company limited by shares incorporated in England and Wales. The registered office is Vinters Place, 68 Upper Thames Street, London, EC4V 3BJ.

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern
As noted in the strategic report the company performance has not been regarded as satisfactory for a few years. The company made a loss for the year ended 31 December 2022 of £307,978 (2021: £1,177,604) and had net assets at the balance sheet date of £8,555,118 (2021: £9,163,096).

To help ensure the company has sufficient financial resources to make the appropriate investment in new services and to fund the business to profitability the Company has an ongoing facility of $2m from its parent company and $10m subordinated loan facility from a third party to draw upon as it needs. Additionally, in August 2023, the company issued non-voting 1% preferred shares for total consideration of $20 million USD.

The directors have prepared detailed forecasts which have considered the principal risks and opportunities including cost reductions, investment in new technology and services and securing sufficient working capital to allow the business to address the changing market conditions by having adequate cash resources at its disposal in order to meet its obligations for at least a period of at least twelve months from the date of approval of the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover
Turnover represents commission on trades recognised on entry date, fees and brokerage receivable on transactions completed, interest receivable on loans provided and corporate finance services represented by retainer and success fees.

Retainer fees are recognised on a time apportioned basis and success fees are recognised in full on completion of a transaction.

1.4 Research and development expenditure
Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	33% straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% straight line
Computers	15% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies **(Continued)**

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1 Accounting policies **(Continued)**

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

During 2020 Dinosaur Merchant Bank Limited received a claim from a creditor of a counter-party to Dinosaur Merchant Bank Limited. This counter party went into bankruptcy in 2015 and the creditor suffered losses. The statute of limitations for creditors of this counter party to file claims against the Bankrupt expired in 2018. The Administrator of the Bankrupt, a government agency, was a named co-defendant. Dinosaur Merchant Bank Limited believe the claims are without merit because, based on its own legal advice, they are filed in a country which has no jurisdiction over the contracts and the time to file such claims has expired. However, the claim has subsequently been successful in the country where the claims were made. However, the Company and it's legal counsel do not believe that the judgements are enforceable in a court of competent jurisdiction for a variety of reasons. As disclosed in note 17 the Company has not provided for losses resulting from the claim as they do not believe a liability exists. In addition, the Company's parent company, Dinosaur Group Holdings LLC (DGH), has provided written confirmation that all legal fees in relation to the case shall be borne by DGH. As a result, no legal fees or liabilities have been accrued in these financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of collateral financial assets

To measure the fair value of collateral financial assets, as disclosed within note 13, the company marks asset prices to market on a daily bases for listed investments which comprise the majority of the collateral deposited with Dinosaur Merchant Bank Limited. For unlisted investments, where there is no active market to trade such assets, the company marks these assets to fair values provided by custodians which are based on the custodians own internal pricing and valuation models.

3 Turnover

	2022	2021 as restated
	£	£
Turnover analysed by class of business		
Custody fees	1,825,263	637,279
Institutional fixed income	2,957,929	2,938,305
Instituional FX	2,844,636	1,625,206
Corporate finance	-	112,999
Security financing	6,269,623	6,385,693
Structured finance	3,182,442	1,465,575
Other income	340,518	549,899
	17,420,411	13,714,956

	2022	2021 as restated
	£	£
Turnover analysed by geographical market		
UK & Europe	5,825,015	4,290,336
North America	9,426,478	8,874,463
Rest of world	2,168,918	550,157
	17,420,411	13,714,956

4 Exceptional item

	2022	2021 as restated
	£	£
Income		
Reimbursed legal fees in relation to litigation	133,300	619,046

The company had legal proceedings against a US based payment service provider for breach of contract in 2021, the matter was settled in 2022. The settlement secured recovery of amounts due to a DMBL customer and reimbursement of legal fees DMBL had incurred. Upon settlement which was finally agreed and paid in 2022, the company recognised the reimbursement of legal fees in 2021 when the costs were expensed.

In addition to the above, the company settled separate legal proceedings in Italy recognising the reimbursement of legal fees in 2022.

5 Operating loss

	2022	2021 as restated
Operating loss for the year is stated after charging/(crediting):	£	£
Exchange (gains)/losses	(302,319)	38,085
Research and development costs	561,291	289,346
Fees payable to the company's auditor for the audit of the company's financial statements	100,000	90,000
Depreciation of owned tangible fixed assets	29,193	28,862
Amortisation of intangible assets	85,722	-
Operating lease charges	286,835	166,714

6 Auditor's remuneration

	2022	2021 as restated
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	100,000	90,000
For other services		
Other assurance services	720	4,436
Taxation compliance services	35,738	9,249
All other non-audit services	20,363	3,168
	56,821	16,853

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021 as restated
	Number	Number
Management and Brokers	13	15
Administration	43	38
Total	56	53

7 Employees (Continued)

Their aggregate remuneration comprised:

	2022	2021 as restated
	£	£
Wages and salaries	4,558,962	3,627,232
Social security costs	478,593	541,774
Pension costs	72,297	65,103
	5,109,852	4,234,109

8 Directors' remuneration

	2022	2021 as restated
	£	£
Remuneration for qualifying services	851,011	823,774

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 as restated - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021 as restated
	£	£
Remuneration for qualifying services	285,000	275,000

9 Taxation

	2022	2021 as restated
	£	£
Current tax		
UK corporation tax on profits for the current period	(190,000)	(93,138)
Adjustments in respect of prior periods	130,233	-
Total current tax	(59,767)	(93,138)

9 Taxation (Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 as restated £
Loss before taxation	(367,745)	(1,270,742)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021 as restated: 19.00%)	(69,872)	(241,441)
Tax effect of expenses that are not deductible in determining taxable profit	21,834	5,484
Relief for research and development expenditure	-	62,098
Unutilised tax losses carried forward	51,748	179,618
Permanent capital allowances in excess of depreciation	(3,710)	(2,145)
Research and development tax credit	(190,000)	(109,000)
Under/(over) provided in prior years	130,233	15,862
Provisions tax adjustment	-	(3,614)
Taxation credit for the year	(59,767)	(93,138)

10 Intangible fixed assets

	Development costs £
Cost	
At 1 January 2022 and 31 December 2022	342,887
Amortisation and impairment	
At 1 January 2022	-
Amortisation charged for the year	85,722
At 31 December 2022	85,722
Carrying amount	
At 31 December 2022	257,165
At 31 December 2021	342,887

11 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2022	140,144	218,922	359,066
Additions	5,970	13,555	19,525
At 31 December 2022	146,114	232,477	378,591
Depreciation and impairment			
At 1 January 2022	133,677	179,357	313,034
Depreciation charged in the year	3,837	25,356	29,193
At 31 December 2022	137,514	204,713	342,227
Carrying amount			
At 31 December 2022	8,600	27,764	36,364
At 31 December 2021	6,467	39,565	46,032

12 Debtors

	2022	2021 as restated
Amounts falling due within one year:	£	£
Trade debtors	720,962,063	422,950,651
Corporation tax recoverable	299,000	522,362
Amounts due from group undertakings	3,541,210	3,031,847
Other debtors	898,181	94,345
Prepayments and accrued income	248,824	121,979
	725,949,278	426,721,184

13 Creditors: amounts falling due within one year

	2022	2021 as restated
	£	£
Trade creditors	723,476,406	448,303,615
Amounts due to group undertakings	1,201,164	116,721
Other taxation and social security	152,526	125,084
Accruals and deferred income	255,990	337,843
	725,086,086	448,883,263

Included within trade creditors are client money balances owed under title transfer collateral and global master repurchase arrangements totalling £722,819,463 (2021: £447,478,675). The corresponding amounts (cash and client balances due to Dinosaur Merchant Bank Limited) are included in trade debtors.

Balances held under repurchase agreements are secured against collateral financial assets with a fair value of £763,331,320 (2021: £422,205,922) which would, under the terms of global master repurchase agreements entered into with the client, be allowed to be set off against each party's obligations to the other in respect of amounts due in the event of a default to reduce counterparty credit risk.

14 Retirement benefit schemes

	2022	2021 as restated
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	72,297	65,103

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2022	2021 as restated	2022	2021 as restated
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	12,081,135	12,081,135	12,081,135	12,081,135

16 Contingent liability

During 2020 Dinosaur Merchant Bank Limited received a claim from a creditor of a counter-party to Dinosaur Merchant Bank Limited. This counter party went into bankruptcy in 2015 and the creditor suffered losses. The statute of limitations for creditors of this counter party to file claims against the Bankrupt expired in 2018. The Administrator of the Bankrupt, a government agency, was a named co-defendant. Dinosaur Merchant Bank Limited believe the claims are without merit because, based on its own legal advice, they are filed in a country which has no jurisdiction over the contracts and the time to file such claims has expired. However, the claim has subsequently been successful in the country where the claims were made. However, the Company and it's legal counsel do not believe that the judgements are enforceable in a court of competent jurisdiction for a variety of reasons. The Company has not provided for losses resulting from the claim as they do not believe a liability exists. In addition, the Company's parent company, Dinosaur Group Holdings LLC (DGH), has provided written confirmation that all legal fees in relation to the case shall be borne by DGH. As a result, no legal fees or liabilities have been accrued in these financial statements.

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021 as restated
	£	£
Within one year	259,613	173,075
Between two and five years	247,225	497,591
	506,838	670,666

18 Events after the reporting date

In August 2023, the Company sold non-voting 1% preferred shares for total consideration of $20 million USD, which provide that the shares will receive 5% of all net income over $5 million USD calculated at the exchange date at each year end.

As of the report date the amount due from debtors increased by £298 milllion compared to amounts due in 2021 as restated. This is almost entirely related to the Company's security finance business.

The company also secured a $10 million 5 years subordinated loan facility, which expires in July 2028.

19 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 section 33 'Related Party Disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group with which it is party to the transactions.

Included within trade creditors, is a balance of £nil (2021: £18,786) due from Park Moorgate Limited, a company related by common directorship.

Included within other debtors is an amount due from the director, G Grossman, of £nil (2021: £1,080). This loan is unsecured and interest free.

20 Ultimate controlling party

Dinosaur Group Holdings LLC, an entity incorporated in the USA, is the company's immediate and ultimate parent company.

There is no single controlling party.

21 Cash generated from operations

	2022	2021 as restated
	£	£
Loss for the year after tax	(307,978)	(1,177,604)
Adjustments for:		
Taxation credited	(59,767)	(93,138)
Investment income	-	(102)
Amortisation and impairment of intangible assets	85,722	-
Depreciation and impairment of tangible fixed assets	29,193	28,862
Movements in working capital:		
(Increase)/decrease in debtors	(299,451,456)	151,780,649
Increase/(decrease) in creditors	276,202,823	(159,770,055)
Cash absorbed by operations	(23,501,463)	(9,231,388)

22 Prior period adjustment

Following a review of the definition of Cash and cash equivalents under FRS 102 the company has decided to reclassify cash balances held under TTCA arrangements from debtors to cash. This has resulted in a decrease in trade debtors of £7,369,305 (2021: £20,790,128) with the corresponding increase being seen in Cash and cash equivalents.

Additionally, following a review of the treatment of collateral financial assets and associated liabilities held under global master repurchase agreements, it was determined that these balances had been incorrectly recognised on the company's balance sheet when they did not meet the recognition FRS 102 criteria for a financial assets and liabilities.

These financial assets and their associated liabilities within creditors have been de-recognised from the company's balance sheet. with the quantum of the adjustments being a reduction of trade debtors of £763,331,320 in the current year (2021: £422,205,922) and a corresponding reduction in trade creditors. These adjustments had no impact on net assets of reserves.

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

23 Capital resources management

The objectives inherent in the capital management policy of the Company are:

- To maintain a strong capital base;
- To meet regulatory requirements at all times in all jurisdictions in which the Company operates;
- To ensure that the Company can continue as a going concern; and
- To provide an adequate return to shareholders.

The Company is regulated by the Financial Conduct Authority (FCA), and is required to maintain its capital base above a minimum capital resources requirement. The Company's capital for this purpose is represented by issued share capital and reserves. The capital resources requirement is derived from requirements in respect of credit risk, market risk and operational risk.

The regulatory capital resources and capital resources requirement are calculated and monitored on a daily basis, reported to the board of directors on a monthly basis, and reported to the FCA on a quarterly basis. At 31 December 2022 the Company reported regulatory Tier One capital of £8,855,118 (2021: £9,163,094) .

24 Risk management objectives and policies

The company's activities expose it to a number of risks, the main types consisting of financial risk, strategic risk, investment risk, reputational risk and regulatory/compliance risk. The company strives to minimise the impact of operational losses (people, processes, systems and external events) through implementing robust controls commensurate with the risks taken and seeks to comply with it legal and regulatory obligations.

Financial risk
The company strives to reduce the impact of financial risks (credit, market and liquidity risks) on the business plan and regularly reviews KRIs based on Company's Risk Management Framework.

Credit risk
Credit risk is defined as the exposure to the possibility of financial loss resulting from a client or counterparty's failure to meet its financial obligations. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the period end date.

Credit risk in the company principally arises from cash and cash equivalents which have been deposited with third party institutions and from exposures from transactions and balances with customers and counterparties. The third party institutions are subject to a periodic solvency review to ensure their credit worthiness.

The credit quality of the financial institutions in which the company has deposits is assessed by reference to the short term credit rating of these institutions. At the period end all cash and cash equivalent deposits are placed with financial institutions that are rated investment grade.

The company does not take trade positions which expose it to material price risk nor does it have a material exposure to foreign exchange movements. Market risk is not so much a factor for the company, as we do not take proprietary positions and are market neutral at all times. We are concerned about counterparty risk exposure and we are increasing our surveillance of client monitoring, credit and trade date fails.

The company operates as a matched-principal broker, acting only on client orders, as executing broker and as settlement agent for certain clients. As such exposes itself to pre-settlement risk, liquidity and certain operational risks. These risks are well understood by the Board, and there is regular reporting through senior management to ensure that risk mitigation techniques remain fit-for-purpose.

Credit risk exposure by exposure class

The standardised approach is used.

Exposure Class	Exposure (£)	Risk Weighted Exposure (£)	Capital Requirement (£)
Institutions	4,967,836	993,567	79,485
Corporates	8,724,327	8,724,327	697,946
Retail	43,080	32,310	2,585
Other	619,467	36,364	2,909
Total	14,354,710	9,786,568	782,925

25 Risk management objectives and policies (continued)

Credit risk (continued)

The ageing analysis of amounts exposed to credit risk is as follows:

2022	Carrying amount (£)	Within one year (£)	One to two years (£)	Two to five years (£)	More than five years (£)
Cash and cash equivalents	7,698,397	7,698,397	-	-	-
Trade debtors	722,408,068	722,408,068	-	-	-
Amounts due from group undertakings	3,541,210	3,541,210	-	-	-

Liquidity risk
The company defines liquidity risk as the risk of failure to have sufficient financial resources to meet its day to day capital, and cash flow, obligations and requirements. Management does not believe liquidity risk to be a material risk area for the company due to the nature of its operations and availability of highly liquid assets.

The company's liquidity position is monitored on a daily basis within agreed procedures designed to ensure that the company has sufficient liquidity to fully meet its margin requirement at third party brokers.

Market risk
Market risk is the risk that exposures to market price fluctuations will affect the company's income or the value of its holdings of financial instruments. The company's overall exposure to market risk is mitigated by its operations as an intermediary on most transactions. As an intermediary, the company minimises its market risk by matching buyers and sellers, hence position risk is limited.

Strategic risk
The company seeks to expand and diversify its business activities globally whilst considering current and projected market conditions, and differences in culture and business practices in its chosen geographies.

Investment risk
Investment risk exposure is monitored in accordance with the market risk metrics, limits and thresholds identified as part of establishing the company's Risk Appetite Statement, hard and soft limits based on Company's Risk Management Framework policies.

Reputational risk
The company ensures that all reasonable steps are taken to minimise the probability of adverse reputational impact arising from adverse media exposure, regulatory / supervisory investigations or regulatory / supervisory non-compliance.

Regulatory/Compliance risk
The company recognises that its regulatory standing is an important factor and will ensure it has in place the necessary systems and controls to comply with legal and regulatory requirements.

Regulated by the FCA – Licence No. 436215

MIFIDPRU 8 DISCLOSURES 2022

Summary

September 2023

Contents

1. Introduction

As a MIFIDPRU Investment Firm, Dinosaur Merchant Bank Limited (the 'Company', 'Firm' or 'DMBL') is obliged to publicly disclose qualitative and quantitative information that are appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

This document presents a summary of the Firm's **quantitative disclosure requirements** (own funds, own funds requirements, liquid assets and remuneration) as part of the Audited Financial Statements for the year ended 2022 and it's available at the Firm's profile on Companies house. Moreover, the MIFIDPRU 8 disclosure is produced annually.

1.1. Scope of Application

This report is prepared on an individual level in accordance with the provisions of MIFIDPRU 8. The Report has as a starting point the financial information used in the Company's Financial Statements which are prepared in accordance with the International Financial Reporting Standards ("IFRS"). As the two documents serve different purposes, the reported figures illustrate differences, which lie on the differences of the fundamental concepts between the IFPR and the IFRS.

The report has been prepared taking into account the below principals as per the provisions of MIFIDPRU 8.1:

a) The report is easily accessible and free to obtain;
b) The report is clearly presented and easy to understand;
c) The report is consistent with the presentation used for previous disclosure periods or otherwise allows a reader of the information to make comparisons easily; and
d) The report highlights in a summary any significant changes to the information disclosed, when compared with previous disclosure periods.

Furthermore, and as a non-SNI Investment Firm, the Company is obliged to publicly disclose the following:

- MIFDIPRU 8.2 – Risk Management Objectives and Policies
- MIFIDPRU 8.3 – Governance Arrangements
- MIFIDPRU 8.4 – Own Funds
- MIFIDPRU 8.5 – Own Funds Requirements
- MIFIDPRU 8.6 – Remuneration Policy and Practices
- MIFIDPRU 8.7 – Investment Policy

Moreover, the Company does fall within MIFIDPRU 7.1.4R(1) since the value of the firm's on and off-balance sheet items over the preceding 4-year period is a rolling average above £100million. Therefore, the Company is obliged to disclose information on Investment Policy as per the provisions of MIFIDPRU 8.7.

1.2. Regulatory Framework

The Report has been prepared in accordance with the regulatory regime for investment firms that the FCA has adopted, the IFPR. The IFPR establishes the prudential requirements in terms of own funds, level of minimum capital, concentration risk, liquidity requirements and level of activity with respect to UK investment firms.

The provisions on disclosure requirements are described in MIFIDPRU 8. In addition, these disclosures must be verified by the external auditors of the Company.

The Company's policy is to publish the disclosures required on an annual basis. The frequency of disclosure will be reviewed should there be a material change in approach used for the calculation of capital, business structure or regulatory requirements.

1.3. Declaration of the Board

The Board is required to proceed with an annual declaration on the adequacy of the Company's risk management framework and ensure that the risk management arrangements and systems of financial and internal control in place are in line with the Company's risk profile.

The Company's risk management framework is designed to identify, assess, mitigate and monitor all sources of risk that could have a material impact on the Company's operations. The Board considers that the Company has in place adequate systems and controls with regards to its size, risk profile and strategy and an appropriate array of properly resourced assurance mechanisms, to avoid or minimise loss. Key ratios and figures representing interaction of the risk profile and the stated risk tolerances are deemed to be proprietary information.

2. Own Funds (MIFIDPRU 8.4)

Own Funds (also referred to as capital resources) are the type and level of regulatory capital that must be held to enable the Company to absorb losses. During the year, the primary objective of the Company with respect to capital management was to ensure that it complied with the imposed capital requirements with respect to its own funds and that the Company maintained healthy capital ratios in order to support its business. Further to the above, the Company, as a non-SNI Investment Firm, shall at all times have own funds at least the highest of the following:

- Permanent Minimum Capital Requirement,
- Fixed Overheads Requirements, and
- K-Factors Requirement.

DMBL throughout the year under review, managed its capital structure and made adjustments to it in light of the changes in the economic and business conditions and the risk characteristics of its activities.

2.1. Composition of Regulatory Own Funds

The following information provides a full reconciliation of the Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) instruments and Tier 2 (T2) instruments issued by the Company. The Company's regulatory capital comprises of CET1 and T2 capital.

Table 1: Composition of Regulatory Own Funds

No.	Item	Amount	Source based on reference number of Table 6
1.	**OWN FUNDS**	**16,332**	
2.	**TIER 1 CAPITAL**	**8,598**	
3.	**COMMON EQUITY TIER 1 CAPITAL**	**8,598**	
4.	Fully paid-up capital instruments	12,081	1 (Shareholders' Equity)
5.	Share premium		
6.	Retained earnings	(3,226)	2 & 3 (Shareholders' Equity)
7.	Accumulated other comprehensive income	-	
8.	Other reserves	-	
9.	Adjustments to CET1 due to prudential filters	-	
10.	Other funds	-	
11.	**(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1**	**(257)**	
19.	CET1: Other capital elements, deductions and adjustments	(257)	2 (Assets)
20.	**ADDITIONAL TIER 1 CAPITAL**	-	
21.	Fully paid up, directly issued capital instruments	-	
22.	Share premium	-	
23.	**(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1**	-	
24.	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25.	**TIER 2 CAPITAL**	**7,734**	
26.	Fully paid up, directly issued capital instruments	7,734	1 (Liabilities)
27.	Share premium	-	
28.	**(-) TOTAL DEDUCTIONS FROM TIER 2**	-	
29.	Tier 2: Other capital elements, deductions and adjustments	-	

2.2. Main Features of Capital Instruments

The Company is obliged to disclose information on the main features of the CET 1 instruments, Additional Tier 1 instruments and Tier 2 instruments. Therefore, the Company's capital instruments' main features are outlined below:

Table 2: Own funds: main features of own instruments issued by the firm

No.	Item	Free text
1	Issuer	Dinosaur Merchant Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	213800WDBCP28M4C9E37
3	Public or private placement	Private
4	Governing law(s) of the instrument	English Law
5	Instrument type (types to be specified by each jurisdiction)	Ordinary Share
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	12081.135
7	Nominal amount of instrument	£12,081,135
8	Issue price	£1
9	Redemption price	N/A
10	Accounting classification	Shareholders' Equity
11	Original date of issuance	£1,000 - Incorporation Date £99,385 - 16/02/2010 £1,054,236 - 01/12/2012 £250,000 - 05/12/2015 £300,000 - 28/01/2016 £201,000 - 31/03/2016 £192,500 - 31/10/2016 £9,625,000 - 30/06/2017 £358,014 - 18/03/2021
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
22	Existence of step up or other incentive to redeem	N/A
23	Noncumulative or cumulative	N/A
24	Convertible or non-convertible	Non-convertible

25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	N/A
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A

2.3. Balance Sheet Reconciliation

The Company shall disclose the balance sheet included in its audited financial statements for the year-end disclosures.

As at 31 December 2022, the reconciliation of Company's assets and liabilities and regulatory Own Funds are shown in the following table:

Table 3: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial

		Balance sheet as in published/ audited financial statements £'000	Under regulatory scope of consolidation £'000	Cross reference to template OF1 £'000
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1.	Tangible assets	36	N/A	N/A
2.	Intangible assets	257	N/A	19
3.	Trade debtors	720,962	N/A	N/A
4.	Non-trade debtors	4,988	N/A	N/A
5.	Cash at bank and in hand Non-Segregated	7,698	N/A	N/A
Total Assets		**733,941**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1.	Trade creditors	723,476	N/A	26
2.	Non-trade creditors	1,610	N/A	N/A
Total Liabilities		**725,086**		
Shareholders' Equity				
1.	Share Capital	12,081	N/A	4
2.	Retained Earnings	(2,918)	N/A	6
3.	Profit/(Loss) Period	(307)	N/A	6
Total Shareholders' equity		**8,855**		

3. Own Funds Requirements (MIFIPDRU 8.5.)

The Company as a non-SNI Investment Firm shall at all times have own funds at least the highest of the following:

a) Permanent Minimum Capital Requirement,
b) Fixed Overhead Requirements, and
c) K-Factors Requirement.

3.1. Permanent Minimum Capital Requirement

Since the Company is authorised to provide the investment service of dealing on own account, its initial capital is £750k.

However and as per the provisions of MIFIDPRU transitional provisions rules (TP 2.18), a firm may substitute the alternative requirement in (3) for:

a) its permanent minimum capital requirement under MIFIDPRU 4.4;

Moreover and as regards the permanent minimum capital requirements, this rule applies to a MIFIDPRU investment firm that under the rules in force on 31 December 2021 was classified as an IFPRU 125k firm. A firm may substitute the alternative requirement for its permanent minimum capital requirement under MIFIDPRU 4.4.

The alternative requirement is as follows:

- from 1 January 2022 to 31 December 2022: £125,000;
- from 1 January 2023 to 31 December 2023: £190,000;
- from 1 January 2024 to 31 December 2024: £330,000;
- from 1 January 2025 to 31 December 2025: £470,000; and
- from 1 January 2026 to 31 December 2026: £610,000.

Although and upon approval of the licence extension to include the dealing on own account investment service, the Permanent Minimum Capital Requirement of the Company will be £750k.

3.2. Fixed Overheads Requirement

The Company's fixed overheads requirement based on the latest audited financial statements is £1,908k as per the table below:

Table 4: Fixed Overheads Requirement

Item	£'000
Total expenses of the previous year after distribution of profits	**18,954**
Total deductions	**(11,197)**
(-)Staff bonuses and other remuneration	(154)
(-)Employees', directors' and partners' shares in net profits	-
(-)Other discretionary payments of profits and variable remuneration	-
(-)Shared commission and fees payable	(11,043)
(-)Fees to tied agents	-
(-)Interest paid to customers on client money where this is at the firm's discretion	-
(-)Non-recurring expenses from non-ordinary activities	-

(-)Expenditures from taxes	-
(-)Losses from trading on own account in financial instruments	-
(-)Contract based profit and loss transfer agreements	-
(-)Expenditure on raw materials	-
(-)Payments into a fund for general banking risk	-
(-)Expenses related to items that have already been deducted from own funds	-
Annual Fixed Overheads	**7,757**
Fixed Overheads requirement	**1,939**

3.3. K-Factors Requirement

Since the Company is authorized to provide the investment service of Dealing on Own Account, all RtC, RtM and RtF proxies are applicable for the Company. As at 31 December 2022, the Company's K-Factors Requirement is £498k as shown in the table below:

Table 5: K-Factors Results

Item	Factor Amount £'000	K-Factor Requirement £'000
TOTAL K-FACTOR REQUIREMENT		**498**
Risk To clients		**498**
K-AUM	-	-
K-CMH (Segregated)	*12,774*	*51*
K-CMH (non-Segregated)	-	-
K-ASA	*299,553*	*120*
K-COH (Cash Trades)	*299,536*	*300*
K-COH (Derivative Trades)	*276,530*	*28*
Risk to Market		-
K-NPR		-
K-CMG		-
Risk to Firm		-
K-TCD		-
K-DTF (Cash Trades)	-	-
K-DTF (Derivative Trades)	-	-
K-CON		-

3.4. Overall Capital Adequacy Position

The Company's own funds, own funds requirement and capital ratio reported as at 31 December 2022, were as follows:

Table 6: Capital Adequacy Analysis

OWN FUNDS COMPOSITION	£'000
Common Equity Tier 1	**8,598**
Tier 2	**8,598**
Total Own Funds	**16,332**
OWN FUNDS REQUIREMENTS	**£'000**
Permanent Minimum Capital Requirement (MIFIDPRU TP 2.18)	*125*
Fixed Overheads Requirement (MIFIDPRU 4.5)	*1,939*
K-Factors Requirement (MIFIDPRU 4.6)	*498*
Total Own funds Requirement	**1,939**
CAPITAL RATIOS	**£'000**
Common Equity Tier 1 Capital Ratio (min. 56%)	**443.38%**
Surplus/(Deficit) of Common Equity Tier 1 Capital Ratio	7,512
Tier 1 Capital Ratio (min. 75%)	**443.38%**
Surplus/(Deficit) of Tier 1 Capital Ratio	7,144
Total Capital Ratio (min. 100%)	**842.21%**
Surplus/(Deficit) of Total Capital Ratio	**14,393**

As per the above results, DMBL as at 31 December 2022 maintains adequate own funds to cover its capital requirements. However, the Company will continue to monitor the above ratios in order to ensure compliance with the capital adequacy requirements at all times.

3.5. Liquidity Requirements (MIFIDPRU 6)

DMBL's core liquid assets as at 31 December 2022 were well above the 1/3 of the total fixed overheads requirement as indicated in the table below:

Table 7: Liquidity Requirements

Item	£'000
Coins and banknotes;	3,162
Short-term deposits at a UK-authorised credit institution;	-
Assets representing claims on or guaranteed by the UK government or the Bank of England;	-
Units or shares in a short-term MMF;	-
Units or shares in a third country fund that is comparable to a short-term MMF; and	-
Trade receivables, if the conditions in MIFIDPRU 6.3.3R are met.	-
Total Core Liquid Assets	**3,162**
Basic Requirement (1/3 of Fixed Overheads Requirement)	**646**
Surplus/(Deficit)	**2,516**

Further to the above, the Company maintains adequate liquid assets to cover the one third fixed overheads requirement. However, the Company should monitor the above in order to ensure compliance at all times.

4. Remuneration policy and practices (MIFIDPRU 8.6)

The Company has in place a remuneration policy in line with the requirements set by FCA. The policy is prepared as an ad-hoc document which reflects the current organisational structure and is proportionate to the size and activities of the Company. The employees are remunerated based on their performance within a multi-year framework, irrespective of the gender and/or ethnicity of each employee. The remuneration benefits are always in line with the business strategy and objectives of the Company, which ensures the promotion of effective risk management.

The Senior Management keeps records containing information as regards the Remuneration of the Company's employees in a separated file/record (e.g. payroll data) at the Company's premises.

The applicability of the Company's Policy is reviewed at least annually by the Board of Directors in the context of an internal review for compliance with the relevant legislation as well as to confirm applicability, viability and alignment with the industry's remuneration standards (e.g. to ensure base salary levels are not set at artificially low levels).

Furthermore, the senior management with the assistance of the Compliance Function and the remuneration committee, will periodically review the Policy, as and when applicable, and thus adjust it should the need arise to do so. The updated Remuneration Policy shall be presented to the Board of Directors for their review and approval.

Where potential or actual client detriment might arise as a result of specific features in remuneration policies and practices, the Company should take appropriate steps to manage potential conduct of business and conflict of interest risks by reviewing and/or amending these specific features and setting up appropriate controls and reporting mechanisms for taking appropriate action to mitigate potential conduct of business and conflict of interest risks.

Furthermore, DMBL shall ensure that it has appropriate and transparent reporting lines in place across the firm or group to assist in escalating issues involving risks of non-compliance with the Law, conflicts of interest and conduct of business requirements under the Law.

The table below provides information on the remuneration of Executive Directors, Senior Management and other staff whose activities have a material impact on the risk profile of the Company, broken down by fixed and variable remuneration.

Table 8: Remuneration split of staff whose activities have a material impact on the risk profile of the Company.

Annual Remuneration as at 31 December 2022				
Position	No. of Beneficiaries	Fixed Remuneration £	Variable Remuneration £	Aggregated Remuneration £
Senior Management	9	1,281,610	-	**1,281,610**
Other material risk takers	3	176,000	-	**176,000**
Other staff	57	2,534,449	264,064	**2,798,513**
Total	**69**	**3,992,059**	**264,064**	**4,256,123**

The variable to fixed remuneration ratio as at **31 December 2022** was 7%.

During the year there was no deferred remuneration, sign-on or severance payments.