

## **Equities First (London) Limited**

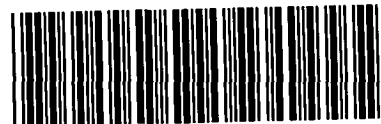
Directors' Report and Financial Statements

Year Ended

31 December 2023

Company Number 08120457

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# **Equities First (London) Limited**

## **Company Information**

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**Directors** Mr A C Christy Jr  
Mr D J McGillivray  
Mr J F Mungovan  
Mr A D Pereira

**Registered number** 08120457

**Registered office** The Prow  
1 Wilder Walk  
London  
W1B 5AP

**Independent auditors** BDO LLP  
55 Baker Street  
London  
W1U 7EU

# **Equities First (London) Limited**

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# Equities First (London) Limited

## Directors' Report For the Year Ended 31 December 2023

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The directors of Equities First (London) Limited, the Company, present their report and the financial statements for the year ended 31 December 2023.

### Directors' responsibilities statement

The directors are responsible for preparing 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 judgements 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.

### Principal activity

Equities First (London) Limited is a financial services firm offering introductions of Professional Clients and eligible counterparties to its parent Company (Equities First Holdings LLC, domiciled in the United States of America), enabling clients to borrow monies secured against individual publicly listed securities, (i.e. stock-based lending). The Company is authorised by the Financial Conduct Authority ("FCA"), registration number 605564, and is a 100% owned subsidiary of Equities First Holdings LLC.

### Review of business

The year 2023 was the ninth full year of ownership for Equities First Holdings LLC and it represented a further year of stability and consolidation. The Company's main activity is introducing professional clients to the parent company, and it works directly with clients and introducers to source new business.

The operational side continues to adapt well to the change of working practices. The current conflicts worldwide are not expected to have a significant impact on business activities. The Company continues to focus on the sectors and markets where there are opportunities for new business.

The Company decided to close the Spanish subsidiary and has conducted an impairment review. The Company and has written off its investment in the subsidiary and part of the Intercompany debt as can be seen in the Statement of Comprehensive Income under Exceptional items.

There were no dividends paid in the year (2022: £Nil).

# Equities First (London) Limited

## Directors' Report (continued) For the Year Ended 31 December 2023

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### Going concern

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). The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern. The directors have based their assessment on the significant cash balance held and positive Net Asset value.

The parent company, Equities First Holdings LLC have confirmed in writing that they will provide financial support to the group and will continue to trade for the foreseeable future.

### Directors

The directors who served during the year were:

Mr A C Christy Jr  
Mr D J McGillivray  
Mr J F Mungovan  
Mr A D Pereira

### Statement as to 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.

### Subsequent events

There are no subsequent events to disclose.

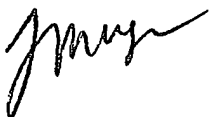
### Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Mr J F Mungovan  
Director

Date: 14.03.24

# Equities First (London) Limited

## Independent Auditors' Report to the Members of Equities First (London) Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 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.

We have audited the financial statements of Equities First (London) Limited ("the Company") for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

# **Equities First (London) Limited**

## **Independent Auditors' Report to the Members of Equities First (London) Limited (continued)**

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### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

# Equities First (London) Limited

## Independent Auditors' Report to the Members of Equities First (London) Limited (continued)

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### 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.

### *Extent to which the audit was 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:

### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining an understanding the Company's policies and procedures regarding compliance with laws and regulations; and

We considered the significant laws and regulations to be FRS 102 (the financial reporting standard applicable in the UK and Republic of Ireland), UK tax legislation and UK Companies Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of FCA correspondence for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.



## Equities First (London) Limited

### Independent Auditors' Report to the Members of Equities First (London) Limited (continued)

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#### Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be payroll expenditure, revenue derived from the transfer pricing agreement, related party transactions and management override of controls.

Our procedures in respect of the above included:

- Evaluating findings from our review of the design and implementation of IT general controls;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of journal entries throughout the year, which did not meet the defined risk criteria, by agreeing to supporting documentation;
- Perform information provided by the entity testing over the journals data set, specifically ensuring the accuracy of data;
- Assessing significant estimates made by management for bias (performing sensitivity analysis to assess the recoverability of deferred tax, reviewing management's impairment assessment by agreeing inputs to support and challenging the accounting treatment).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# Equities First (London) Limited

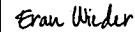
## Independent Auditors' Report to the Members of Equities First (London) Limited (continued)

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### 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.

DocuSigned by:



**Eran Wieder** (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street

London

W1U 7EU

Date: 15 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Equities First (London) Limited

### Statement of Comprehensive Income For the Year Ended 31 December 2023

	Note	2023 £	2022 £
Turnover		2,489,691	2,755,954
Administrative expenses		(2,339,347)	(2,589,911)
<b>Operating profit</b>		<b>150,344</b>	<b>166,043</b>
Exceptional items	5	(218,079)	-
Interest receivable and similar income		37,498	2,276
Interest payable and similar expenses		(756)	(569)
<b>(Loss)/profit before tax</b>		<b>(30,993)</b>	<b>167,750</b>
Taxation	6	(48,571)	(21,478)
<b>Total comprehensive (loss)/income for the year</b>		<b>(79,564)</b>	<b>146,272</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The results above are derived from continuing activities.

The notes on pages 12 to 22 form part of these financial statements.

**Equities First (London) Limited**  
Registered number:08120457

**Statement of Financial Position**  
As at 31 December 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	7	4,781	5,025
Investments	8	-	93,079
		<u>4,781</u>	<u>98,104</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	9	72,768	-
Debtors: amounts falling due within one year	9	1,082,478	1,328,514
Cash at bank and in hand		3,132,134	2,986,609
		<u>4,287,380</u>	<u>4,315,123</u>
<b>Creditors</b>			
Amounts falling due within one year	10	(306,123)	(376,196)
<b>Net current assets</b>		<u>3,981,257</u>	<u>3,938,927</u>
<b>Total assets less current liabilities</b>		<u>3,986,038</u>	<u>4,037,031</u>
Creditors: amounts falling due after more than one year		(28,571)	-
<b>Net assets</b>		<u><u>3,957,467</u></u>	<u><u>4,037,031</u></u>
<b>Capital and reserves</b>			
Share capital	14	850,000	850,000
Perpetual Non-Cumulative Preference Shares	14	4,465,000	4,465,000
Share premium		352,440	352,440
Retained earnings		(1,709,973)	(1,630,409)
		<u>3,957,467</u>	<u>4,037,031</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



Mr J F Mungovan  
Director

Date: 14.3.24

**Equities First (London) Limited**  
Registered number:08120457

**Statement of Financial Position (continued)**  
**As at 31 December 2023**

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The notes on pages 12 to 22 form part of these financial statements.

## Equities First (London) Limited

### Statement of Changes in Equity For the Year Ended 31 December 2023

	Share capital £	Share premium £	Retained earnings £	Total equity £
<b>At 1 January 2022</b>	5,315,000	352,440	(1,776,681)	3,890,759
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	146,272	146,272
<b>At 1 January 2023</b>	5,315,000	352,440	(1,630,409)	4,037,031
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(79,564)	(79,564)
<b>At 31 December 2023</b>	5,315,000	352,440	(1,709,973)	3,957,467

The notes on pages 12 to 22 form part of these financial statements.

# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

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### 1. General information

Equities First (London) Limited is a private Company, limited by shares, registered in England and Wales.

The Company's registered office is The Prow, 1 Wider Walk, London, W1B 5AP. The Company is authorised by the Financial Conduct Authority ("FCA"), registration number 605564.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

*These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.*

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts as the Company is subject to the small companies' regime. The financial statements present information about the Company as an individual entity.

#### 2.2 Going concern

The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern. The directors have based their assessment on the significant cash balance held and positive Net Asset value.

The parent company, Equities First Holdings LLC have confirmed in writing that they will provide financial support to the group and will continue to trade for the foreseeable future.

#### 2.3 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax and Trade discounts.

The Company recognizes turnover derived through a service agreement with its ultimate parent in the form of a monthly management fee.

# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

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### 2. Accounting policies (continued)

#### 2.4 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:

Leasehold improvements	-	20%
Fixtures and fittings	-	25%
Computer equipment	-	25%

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.

#### 2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

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### 2. Accounting policies (continued)

#### 2.6 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.

#### 2.7 Operating leases

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

All leases are treated as operating leases.

#### 2.8 Pension costs and other post-retirement benefits

##### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.9 Investment in subsidiary company

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Amounts owed by group undertakings 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.

#### 2.11 Creditors

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

# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

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### 2. Accounting policies (continued)

#### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

#### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### Carrying value of investments in subsidiaries

The Company considers the carrying value of investments at each reporting date. The expected value considers current and future expected returns from the investments as well as any technical or commercial obsolescence and legal or other limits on the use of the assets.

#### Recoverability of intercompany balances

The Company considers the recoverability of intercompany balances at each reporting date by evaluating conditions specific to the subsidiaries that may lead to impairment. If an impairment trigger exists, the recoverable amount of the balance is determined.

### 4. Employees

The average monthly number of employees, including directors, during the year was 6. (2022 - 6).

# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 5. Exceptional items

	2023 £	2022 £
Intercompany bad debt written off	125,000	-
Impairment of investment in subsidiary companies	93,079	-
	<u>218,079</u>	<u>-</u>

The exceptional items have been included as an individual line item in the Statement of Comprehensive Income to highlight the effect of the closure of the Spanish subsidiary, as mentioned in note 8.

The decision to wind up the Spanish subsidiary, has resulted in the investment in the subsidiary to be fully impaired and has also caused a bad debt to be realised in relation to the intercompany loan with the subsidiary. The impairment and bad debt are described in notes 8 and 9 respectively.

### 6. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	<u>8,820</u>	<u>432</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	39,751	15,995
Changes to tax rates	-	5,051
<b>Total deferred tax</b>	<u>39,751</u>	<u>21,046</u>
<b>Taxation on profit on ordinary activities</b>	<u>48,571</u>	<u>21,478</u>

# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 6. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is more than (2022 - lower than) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(30,993)	167,750
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	(7,290)	31,873
Effects of:		
Expenses not deductible for tax purposes	53,508	226
Deferred tax movement in short term temporary differences	-	21,046
Losses carried forward	-	(31,667)
Changes in tax rates	2,353	-
Total tax charge for the year	48,571	21,478

#### Factors that may affect future tax charges

##### Deferred tax

The Company has an unrecognised deferred tax asset of £195,973 (2022 - £195,973) in respect of tax losses carried forward. This asset has not been recognised as there is insufficient certainty as to its recoverability against future trading profits.

## Equities First (London) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 7. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2023	161,184	49,018	42,464	252,666
Additions	-	-	1,578	1,578
At 31 December 2023	<u>161,184</u>	<u>49,018</u>	<u>44,042</u>	<u>254,244</u>
<b>Depreciation</b>				
At 1 January 2023	161,184	49,018	37,439	247,641
Charge for the year on owned assets	-	-	1,822	1,822
At 31 December 2023	<u>161,184</u>	<u>49,018</u>	<u>39,261</u>	<u>249,463</u>
<b>Net book value</b>				
At 31 December 2023	<u>-</u>	<u>-</u>	<u>4,781</u>	<u>4,781</u>
At 31 December 2022	<u>-</u>	<u>-</u>	<u>5,025</u>	<u>5,025</u>

# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	93,079
At 31 December 2023	93,079
Impairment	
Charge for the period	93,079
At 31 December 2023	93,079
Net book value	
At 31 December 2023	-

The Company holds a 100% investment of Equities First London (Spain) S.L.U.

The current issued share capital of Equities First London (Spain) S.L.U. is EUR 13,500. The par value of the shares in the Company is EUR 1. There is also a share premium of EUR 90,000. All the issued shares have voting rights.

During the financial year, the Company decided to close the Spanish subsidiary. The closure will occur in a later period, but an impairment review was conducted and it was concluded that subsidiary was fully impaired at the year end date.

# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 9. Debtors

	2023 £	2022 £
Due after more than one year		
Other debtors	72,768	-
	<u>72,768</u>	<u>-</u>
	2023 £	2022 £
Due within one year		
Amounts owed by group undertakings	707,716	899,453
Other debtors	94,291	104,746
Prepayments and accrued income	152,121	156,214
Deferred taxation	128,350	168,101
	<u>1,082,478</u>	<u>1,328,514</u>

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Due to the decision to wind up the Spanish subsidiary, it has been confirmed that £125,000 of the total amounts owed by group undertakings is no longer expected to be received. Therefore, it has been written off as a bad debt to the profit and loss.

Included in other debtors is a rental deposit of £72,768 (2022: £72,768). During the prior year, the rental deposit was expected to be returned once the lease term expired on 31 May 2023. During the current year, the lease was extended and it now includes a break clause on 31 May 2026, which is the earliest point at which the deposit is expected to be returned.

### 10. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	20,316	-
Bonuses Payable	176,250	246,992
Corporation tax	8,807	1,620
Other creditors	2,316	-
Accrued expenses	98,434	127,584
	<u>306,123</u>	<u>376,196</u>

The bonuses payable figure includes the corresponding employers national insurance owed to HMRC, which totals £21,250 (2022: £29,492).

# Equities First (London) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 11. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Accruals and deferred income	28,571	-
	<u>28,571</u>	<u>-</u>

### 12. Pension commitments

The Company operates 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 £6,604 (2022: £6,416). Contributions totalling £Nil (2022: £Nil) were payable to the fund at the reporting date.

### 13. Leasing agreements

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	181,500	70,260
Later than 1 year and not later than 5 years	257,125	-
	<u>438,625</u>	<u>70,260</u>

### 14. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
850,000 Ordinary shares of £1.00 each	850,000	850,000
4,465,000 Perpetual Non-Cumulative Preference shares of £1.00 each	4,465,000	4,465,000
	<u>5,315,000</u>	<u>5,315,000</u>

Perpetual Non-Cumulative Preference shares are redeemable at par, whether in whole or in part, at any time at the discretion of the directors, provided that the directors reasonably believe that the Company have adequate resources to make the redemption.



# **Equities First (London) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2023**

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### **15. Related party transactions**

The Company has taken advantage of the exceptions provided by FRS 102 paragraph 33.1A and not disclosed the transactions with group undertakings where 100% of the voting rights are controlled within the group.

During the year ended 31 December 2023, the Company was charged £53,000 (2022: £48,000) by Fleming McGillivray & Co Limited for the provision of compliance services. The director D J McGillivray is a director of Fleming McGillivray & Co Limited. At the year end date, an amount paid in advance to Fleming McGillivray & Co Limited by the Company for quarterly services was £Nil (2022: £12,000).

### **16. Controlling party**

The Company's immediate and ultimate controlling party is Equities First Holdings LLC, a limited liability company incorporated in the United States.

The largest and smallest group of which the Company is a member for which group financial statements are prepared is Equities First Holdings LLC.