

CONVICTION INVESTMENT PARTNERS LIMITED

Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2023

Conviction Investment Partners Limited

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Conviction Investment Partners Limited

Company Information

Directors	R J Roberts A B J Jenkins
Registered office	1 King William Street London EC4N 7AF
Accountants	Azets Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Conviction Investment Partners Limited

Income Statement for the Year Ended 31 March 2023

	2023 £	2022 £
Turnover	529,946	2,046,041
Administrative expenses	<u>(1,484,959)</u>	<u>(1,420,141)</u>
Operating (loss)/profit	(955,013)	625,900
Loss on financial assets at fair value through profit and loss account	-	(28,090)
Interest payable and similar expenses	<u>(59,049)</u>	<u>(2,264)</u>
(Loss)/profit before tax	(1,014,062)	595,546
Taxation	<u>118,777</u>	<u>(115,972)</u>
(Loss)/profit for the financial year	<u><u>(895,285)</u></u>	<u><u>479,574</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 5 to 10 form an integral part of these financial statements.

Conviction Investment Partners Limited

(Registration number: 11087350)

Statement of Financial Position as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	<u>4</u>	14,385	1,416
Current assets			
Debtors	<u>5</u>	992,751	1,048,904
Investments	<u>6</u>	73,326	73,326
Cash at bank and in hand		<u>41,259</u>	<u>58,949</u>
		1,107,336	1,181,179
Creditors: Amounts falling due within one year	<u>7</u>	<u>(1,474,698)</u>	<u>(607,574)</u>
Net current (liabilities)/assets		<u>(367,362)</u>	<u>573,605</u>
Total assets less current liabilities		(352,977)	575,021
Creditors: Amounts falling due after more than one year	<u>7</u>	(43,380)	(75,841)
Provisions for liabilities		-	(253)
Net (liabilities)/assets		<u>(396,357)</u>	<u>498,927</u>
Capital and reserves			
Called up share capital		2	1
Share premium reserve		499	499
Profit and loss account		<u>(396,858)</u>	<u>498,427</u>
Total equity		<u>(396,357)</u>	<u>498,927</u>

For the financial year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

The notes on pages 5 to 10 form an integral part of these financial statements.

Conviction Investment Partners Limited

(Registration number: 11087350)

Statement of Financial Position as at 31 March 2023 (continued)

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Income Statement.

Approved and authorised for issue by the Board on 8 September 2023 and signed on its behalf by:

.....

R J Roberts

Director

The notes on pages 5 to 10 form an integral part of these financial statements.

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

1 General information

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

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

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

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

Going concern

At the period end, the company has net liabilities of £396,357 and net current liabilities of £367,362. The financial statements have been prepared on a going concern basis. The company meets its day to day working capital requirements through cash generated from operations, shareholder borrowings and external borrowings. Support has also been received from connected companies during the period. The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance.

Based on the factors set out above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	15% reducing balance

Investments

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

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

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

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

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

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

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 8 (2022 - 6).

4 Tangible assets

	Office equipment £	Total £
Cost or valuation		
At 1 April 2022	1,450	1,450
Additions	14,535	14,535
At 31 March 2023	15,985	15,985
Depreciation		
At 1 April 2022	34	34
Charge for the year	1,566	1,566
At 31 March 2023	1,600	1,600
Carrying amount		
At 31 March 2023	14,385	14,385
At 31 March 2022	1,416	1,416

5 Debtors

	2023 £	2022 £
Trade debtors	21,625	42,553
Prepayments	42,003	56,319
Other debtors	929,123	950,032
	992,751	1,048,904

6 Current asset investments

	2023 £	2022 £
Unlisted investments	73,326	73,326

During the 2020 year end, the company in which Conviction Investment Partners Limited owned unlisted shares was subject to a takeover. As part of the takeover Conviction Investment Partners Limited received additional shares in April 2020 and April 2021 as consideration for the shares previously held. During the 2022 year end, the company has impaired the investment to be in line with the implied value based on the most recent transaction price for the company.

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

7 Creditors

Creditors: amounts falling due within one year

	Note	2023 £	2022 £
Due within one year			
Bank loans and overdrafts	8	32,500	32,500
Trade creditors		91,201	71,103
Taxation and social security		27,346	22,990
Accruals and deferred income		71,494	61,013
Other creditors		1,252,157	301,444
Corporation tax liability		-	118,524
		<u>1,474,698</u>	<u>607,574</u>

Creditors: amounts falling due after more than one year

	Note	2023 £	2022 £
Due after one year			
Loans and borrowings	8	<u>43,380</u>	<u>75,841</u>

8 Loans and borrowings

	2023 £	2022 £
Current loans and borrowings		
Bank borrowings	<u>32,500</u>	<u>32,500</u>
	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	<u>43,380</u>	<u>75,841</u>

9 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	55,297	-

The amount of non-cancellable operating lease payments recognised as an expense during the year was £110,130 (2022 - £Nil).

Conviction Investment Partners Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

10 Financial commitments, guarantees and contingencies

Amounts disclosed in the statement of financial position

Included in the statement of financial position are unpaid pension contributions of £1,657 (2022 - £944).

11 Related party transactions

Summary of transactions with key management

Included within other creditors is an amount of £500 (2022 - £500) owed to the director of the company.

Summary of transactions with entities with joint control or significant interest

Conviction Investment Group Limited

Conviction Investment Group is a related company by virtue of having common owners. During the year, Conviction Investment Partners Limited made a loan of £Nil (2022 - £1,043,763) to Conviction Investment Group Limited and received repayments of £46,037 (2022 - £Nil), with £Nil (2022 - £93,750) of this balance being written off as bad debt. At the year end, £903,963 (2022 - £950,013) was outstanding and included within other debtors. The loan is unsecured, interest free and repayable on demand.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.