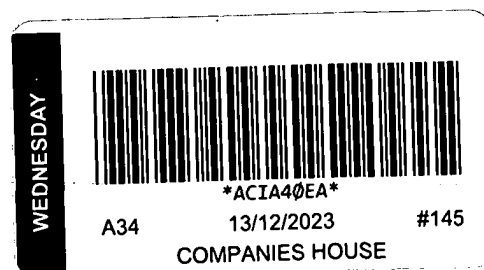


Company Registration No. 06330902

Houlihan Lokey Capital (Holdings) Limited

Annual Report and Financial Statements
For the year ended 31 March 2023



Houlihan Lokey Capital (Holdings) Limited

Annual Report and Financial Statements

31 March 2023

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Houlihan Lokey Capital (Holdings) Limited

Strategic report

The directors present the strategic report for the year ended 31 March 2023.

Principal activity

Houlihan Lokey Capital (Holdings) Limited ("the Company") is an investment holding company whose operating subsidiaries provide corporate financial advisory services in Europe, the Middle East and Asia.

Business review and outlook

The Company has continued to perform satisfactorily throughout the year and the directors are confident about its future prospects.

The Company made a loss of \$1,101,200 (31 March 2022: profit of \$451,984,650) for the year. The Company was involved in an internal restructure that occurred in the year ended 31 March 2022 which was the driver behind the higher profits in the comparative period. During the year, the Company did not receive any dividends regarding its shareholdings (31 March 2022: nil) and did not receive any profit shares in relation to its partnership holding in HLHZ UK Holdings, LP (31 March 2022: \$96,696,247). The Company did not pay any dividends to its immediate parent Houlihan Lokey, Inc (2022: \$96,696,247). During the year, the Company made no political or charitable donations (31 March 2022: nil).

The Company's key performance indicators are the ongoing profitability and value of its subsidiaries. An annual review of the valuation of subsidiaries indicates that they will continue to perform satisfactorily in the current market environment. This is supported by internal forecasts that show the subsidiaries are expected to remain profitable for the foreseeable future.

Going concern

These financial statements have been prepared on a going concern basis. Management consider that the Company will have sufficient funds, to meet its liabilities as they fall due for that period. This is dependent on the Company's subsidiary HLHZ UK Holdings, LP, not seeking repayment of the amount currently due from the Company, which at 31 March 2023 amounted to \$42,550,106 (31 March 2022: \$35,250,999). As the Company's ultimate parent Houlihan Lokey, Inc is the general partner of this subsidiary, it effectively controls the ability to call for repayment of such loan. The loan is not expected to be recalled for a period of at least 12 months from the date of approval of these financial statements. As with any Company placing reliance on other group entities for financial support, management acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, the Company has obtained a formal letter of financial support from its ultimate parent (Houlihan Lokey, Inc) to meet any anticipated financial liabilities as they fall due and allow it to continue to operate as a going concern. This formal letter of support covers a period of at least 12 months from the date of approval of these financial statements.

Management does not consider that the current economic and geo-political environment will have a material impact on the Company's ability to continue operating as a going concern. Given the Company's operating subsidiaries carry out business across various locations, business lines and industries, the Company is able to remain profitable in most economic conditions. Internal forecasts show the Company's subsidiaries are expected to sustain profitability and therefore will not impact the Company's ability to continue operating as a going concern for a period of at least 12 months from the date of signing these financial statements.

Principal risks and uncertainties

Due to the simplicity of the Company's operations and business model, there are a limited number of potential risks and uncertainties that could have an impact on the performance of the Company. The directors believe that appropriate policies and procedures are in place to effectively manage the key risks, which are further outlined below:

Business risks

The Company's main financial risks are in relation to its dependency on the performance of its operating subsidiaries and investments and the parental support from its ultimate parent company. If one or more subsidiaries perform poorly or face financial difficulties due to an economic downturn, geo-political uncertainty, or internal risk event, it could negatively impact the overall financial health and stability of the Company. Performance is monitored on an ongoing basis as is the funding required to support its subsidiary operations. Its subsidiaries and investments are managed by maximising revenue generation and associated profitability.

Legal and regulatory risks

The Company is subject to specific legal and regulatory risks, including changes in tax laws and restrictions that may impact the transfer of funds to and from subsidiaries. Certain subsidiaries are also regulated locally, and so capital requirements need to be maintained and monitored in relation to the external requirements of its subsidiaries and investments and any working capital needs they may have.

Financial risks

The Company faces liquidity risks if it is unable to access sufficient funds to support working capital requirements or if there is a need to liquidate investments during financial distress. The Company also indirectly faces currency risk as some of its investments are held in various jurisdictions and operate in various foreign currencies different to the Company's functional currency (USD). More information about how the Company manages financial risks can be found in note 16 to the financial statements.

Approved by the Board of Directors and signed on its behalf by:

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L Alley
Director
28 November 2023

Houlihan Lokey Capital (Holdings) Limited

Directors' report

The directors submit their report and the audited financial statements for the year ended 31 March 2023.

Principal activity

The principal activity of the Company can be found in the strategic report of pages 3 and 4.

Business review and outlook

The business review and outlook of the Company can be found in the strategic report on pages 3 and 4.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are outlined in the strategic report on pages 3 and 4.

Going concern

These financial statements have been prepared on a going concern basis. Management are comfortable that the Company can continue to operate for a period of at least 12 months, and specific consideration has been given to going concern given current market conditions. Please refer to the Strategic report on pages 3 and 4 for specific details.

Political and charitable donations

During the year, the Company made no political or charitable donations (2022: \$nil) and did not incur any political expenditure (2022: \$nil).

Greenhouse gas emissions and energy consumption

The Company has not disclosed its energy use and carbon emissions due to the fact it does not have any employees or lease any office premises, therefore it does not engage directly with suppliers for electricity and gas. As the Company partners with an affiliate entity - Houlihan Lokey EMEA, LLP (Registered number OC403806) – who provides services to the Company, all disclosures relating to energy use and carbon emissions consumed can be found in the Energy and Carbon Report of that entity within the Members' Report and Financial Statements for the year ended 31 March 2023.

Dividends

No dividends were paid during the period (2022: \$96,696,247).

Directors shareholding

The directors do not have any shareholding in the Company.

Directors

The directors of the Company throughout the year and as at the date of this report were:

D A Preiser

J L Alley

D W A Williams

Registered Office

1 Curzon Street

London

W1J 5HD

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on its behalf by:

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L Alley

Director

28 November 2023

Houlihan Lokey Capital (Holdings) Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom ("UK") (IFRSs as adopted by the UK) 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 estimates that are reasonable, relevant and reliable;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOULIHAN LOKEY CAPITAL (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Houlihan Lokey Capital (Holdings) Limited ("the Company") for the year ended 31 March 2023 which comprise the Statement of profit or loss and other comprehensive income, Statement of financial position, statement of changes in equity, statement of cash flows,, and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of senior management and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk that management may in position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk-based criteria and comparing the identified entries to supporting documentation. This included those created or posted by individual who typically do not create or post journal entries and entries that contain unusual descriptions such as override, error and manipulate.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, whilst the Company is subject to other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink, appearing to read 'A. Long'.

Amanda Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

05 December 2023

Houlihan Lokey Capital (Holdings) Limited

Statement of profit or loss and other comprehensive income

	Notes	Year ended 31 March 2023 \$	Year ended 31 March 2022 \$
Share of profit from partnership interest	4	-	96,696,247
Income from subsidiaries		<u>-</u>	<u>96,696,247</u>
Administrative expenses		(55,461)	(65,478)
Finance income	5	15	76,890
Finance expenses	5	(1,453,085)	(417,404)
Gain in fair value on loss of control of investment in subsidiary	6	-	355,729,533
(Loss)/Profit before taxation		<u>(1,508,531)</u>	<u>452,019,788</u>
Taxation	7	407,331	(35,138)
(Loss)/Profit after taxation		<u>(1,101,200)</u>	<u>451,984,650</u>
Other comprehensive income, net of income tax			
Total other comprehensive income, net of tax	6	84,494,017	841,303
Total comprehensive profit for the year		<u>83,392,817</u>	<u>452,825,953</u>

The results for the year ended 31 March 2023 and 31 March 2022 are derived from continuing operations.

The notes on pages 15 to 24 form an integral part of these financial statements.

Houlihan Lokey Capital (Holdings) Limited

Statement of financial position

		As at 31 March 2023	As at 31 March 2022
	Notes	\$	\$
Assets			
Non-current assets			
Equity investments at fair value through other comprehensive income	6	574,217,207	489,723,190
Investment in subsidiaries	8	60,638,676	60,638,676
Deferred tax asset	7	174,042	-
Total non-current assets		635,029,925	550,361,866
Current assets			
Cash at bank	9	4,005	527
Other current assets	10	1,721,208	1,762,375
Current tax asset		734,199	-
Total current assets		2,459,412	1,762,902
Total assets		637,489,337	552,124,768
Liabilities			
Current liabilities			
Amounts owed to related parties, repayable on demand	11	49,899	4,901,270
Loans owed to related parties, repayable on demand	11	47,407,817	39,954,939
Current tax liabilities		-	202,217
Other current liabilities	12	52,036	50,427
Total current liabilities		47,509,752	45,108,853
Non-current liabilities			
Deferred tax liabilities	7	-	429,147
Total non-current liabilities		-	429,147
Total liabilities		47,509,752	45,538,000
Net assets		589,979,585	506,586,768
Capital and reserves			
Share capital	13	1,299,979	1,299,979
Share premium	13	24,696,534	24,696,534
Fair value reserve	6	85,335,320	841,303
Retained earnings		478,647,752	479,748,952
Total equity attributable to shareholders	14	589,979,585	506,586,768

The notes on pages 15 to 24 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 28 November 2023 and were signed on its behalf by:

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L Alley
Director

Company Registration No. 06330902

Houlihan Lokey Capital (Holdings) Limited

Statement of changes in equity

	Notes	Share capital \$	Share premium \$	Fair value reserve \$	Retained earnings \$	Total \$
Balance at 1 April 2021		1,299,979	24,696,534	102,892,564	21,567,985	150,457,062
<i>Comprehensive income:</i>						
Profit for the year		-	-	-	451,984,650	451,984,650
<i>Other comprehensive income:</i>						
Reclassification of reserve on loss of control of subsidiary	6	-	-	(102,892,564)	102,892,564	-
Fair value changes in equity investments	6	-	-	841,303	-	841,303
Dividends paid	14	-	-	-	(96,696,247)	(96,696,247)
Balance at 31 March 2022	13,14	1,299,979	24,696,534	841,303	479,748,952	506,586,768
Balance at 1 April 2022		1,299,979	24,696,534	841,303	479,748,952	506,586,768
<i>Comprehensive income:</i>						
Loss for the year		-	-	-	(1,101,200)	(1,101,200)
<i>Other comprehensive income:</i>						
Fair value changes in equity investments	6	-	-	84,494,017	-	84,494,017
Balance at 31 March 2023	13,14	1,299,979	24,696,534	85,335,320	478,647,752	589,979,585

The notes on pages 15 to 24 form an integral part of these financial statements.

Houlihan Lokey Capital (Holdings) Limited

Statement of cash flows

		Year ended 31 March 2023	Year ended 31 March 2022
Notes	\$	\$	
Cash flows from operating activities			
Operating profit (or loss) before taxation		(1,508,531)	452,019,788
Adjustments for non-cash movements:			
Fair value movements in financial assets		-	(355,729,533)
Foreign currency movements		-	(39,300)
Operating profit before changes in working capital		(1,508,531)	96,250,955
Changes in working capital			
Increase in other current liabilities	12	1,609	1,758
(Decrease)/Increase in amounts owed by related parties	11	(4,810,204)	622,462
Increase in loans made to related parties	11	7,452,878	11,722,423
Tax (refunded) / paid	7	(1,132,274)	262,996
Net cash inflow from operating activities		3,478	108,860,594
Cash flows from investing activities			
Acquisitions of investments in subsidiaries	8	-	(17,895,140)
Disposals of investments in subsidiaries	8	-	5,729,247
Net cash outflow from investing activities		-	(12,165,893)
Cash flows from financing activities			
Dividend paid	14	-	(96,696,247)
Net cash outflow from financing activities		-	(96,696,247)
Net (decrease) / increase in cash and cash equivalents		3,478	(1,546)
Cash and cash equivalents at the beginning of the year		527	2,073
Cash and cash equivalents at the end of the year	9	4,005	527

The notes on pages 15 to 24 form an integral part of these financial statements.

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

1. General information

Houlihan Lokey Capital (Holdings) Limited is a private limited Company domiciled in the United Kingdom. The Company is an investment holding Company and the Company's registered office is at 1 Curzon Street, London, W1J 5HD.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom ("UK") at the balance sheet date, and with those parts of the Companies Act 2006 for companies reporting under IFRS. At 31 March 2023, there are no differences between IFRS adopted by the UK and IFRS issued by the International Accounting Standards Board ("IASB") in terms of their application to the Company. Accordingly, the Company's financial statements for the year ended 31 March 2023 are prepared in accordance with IFRS as issued by the IASB.

Going Concern

These financial statements have been prepared on a going concern basis. Management consider that the Company will have sufficient funds, to meet its liabilities as they fall due for that period. This is dependent on the Company's subsidiary HLHZ UK Holdings, LP, not seeking repayment of the amount currently due from the Company, which at 31 March 2023 amounted to \$42,550,106 (31 March 2022: \$35,250,999). As the Company's ultimate parent Houlihan Lokey, Inc is the general partner of this subsidiary, it effectively controls the ability to call for repayment of such loan. The loan is not expected to be recalled for a period of at least 12 months from the date of approval of these financial statements. As with any Company placing reliance on other group entities for financial support, management acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, the Company has obtained a formal letter of financial support from its ultimate parent (Houlihan Lokey, Inc) to meet any anticipated financial liabilities as they fall due and allow it to continue to operate as a going concern. This formal letter of support covers a period of at least 12 months from the date of approval of these financial statements.

Management does not consider that the current economic and geo-political environment will have a material impact on the Company's ability to continue operating as a going concern. Given the Company's operating subsidiaries carry out business across various locations, business lines and industries, the Company is able to remain profitable in most economic conditions. Internal forecasts show the Company's subsidiaries are expected to sustain profitability and therefore will not impact the Company's ability to continue operating as a going concern for a period of at least 12 months from the date of signing these financial statements.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in US Dollars and the functional currency is US Dollars. Except as indicated, financial information presented in US Dollars has been rounded to the nearest dollar.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management uses estimates and applies judgement in determining the discount rate, long-term growth rate and forecasted cash flow inputs to the value in use method that is used in the impairment assessment of certain investments in subsidiaries, and in determining the fair value of its partnership interest in HLHZ UK Holdings, LP, and the likelihood of available future taxable profits necessary for the recognition of deferred tax assets. Refer to 3.5 respectively for more information. There are no other material estimates applied in the Company's financial statements. In the opinion of the directors, the use of estimates does not present a significant risk of material misstatement to the carrying amounts of assets and liabilities in these financial statements.

2.5 Basis of exemption from consolidation

Houlihan Lokey Capital (Holdings) Limited is exempt from the obligation to prepare consolidated financial statements as its ultimate parent Company, Houlihan Lokey, Inc. (listed in New York) prepares consolidated financial statements. The Company and all of its subsidiaries are incorporated in the parent Company's consolidated group financial statements. The financial statements present information about the Company as an individual undertaking. All requirements for exemption as per Section 401 of the Companies Act 2006 have been met.

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

2.6 Future developments in accounting standards

There are a number of standards, interpretations and amendments issued by the IASB that are effective for financial statements after this reporting period. However, no standards and interpretations effective after this reporting date are expected to have a significant impact on the Company's financial statements.

3. Significant accounting policies

The accounting policies set out below have, unless stated otherwise, been applied consistently to all periods presented in these financial statements.

3.1 Financial assets and liabilities

(a) Recognition and initial measurement

Trade receivables are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. The only exception to this is a trade receivable without a significant financing component which is initially measured at the transaction price.

(b) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions: it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. This category includes amounts owed from related parties.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis. Equity investments at FVOCI are subsequently measured at fair value. Dividends or profit shares are recognised as income in profit or loss unless the dividend or profit share clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never recycled to the profit or loss. This category includes the ownership interest in HLHZ UK Holdings, LP which is an equity investment measured at FVOCI.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets if any. These assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Company does not have any assets in this category.

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(c) Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which is measured as 12-month ECLs. The material financial assets of the Company measured at amortised cost are amounts owed from related parties. The risk of default is extremely low in the case of amounts owed from related parties as the balances are with related parties and there has been no history of default. These balances are also of short term nature, therefore, no loss allowance for ECLs are recognised as they are nil.

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

3. Significant accounting policies (continued)

3.2 Investments in other entities

Investments in subsidiaries

Investments in subsidiaries are those entities that are controlled by the Company. Investments are measured at cost less any impairment loss.

Impairment

IAS 36, applies to all subsidiaries of an entity where the entity holds a controlling interest. It requires the entity to test for indicators of impairment annually, regardless of whether there is a triggering event. The impairment test assess whether the recoverable amount of the investment exceeds the carrying amount at the reporting date. If the carrying amount exceeds the recoverable value then an impairment loss is recognised in the statement of profit and loss. If the circumstances that led to an impairment loss change in the future, and the recoverable amount of the asset or cash-generating unit increases, a reversal of impairment may be recognised, but only to the extent that the carrying amount does not exceed what it would have been had no impairment been recognised. Please refer to note 6 for a summary of the valuation methods used for each subsidiary.

Dividends received from subsidiaries are recognised in the profit or loss under dividend income when the right to receive income is established.

Changes in ownership interest and loss of control

Under IFRS 10, if a parent loses control of a subsidiary, the parent must recognise any investment retained in the former subsidiary when control is lost and subsequently accounts for it in accordance with relevant IFRS standards. Any retained interest is remeasured to fair value on initial recognition in accordance with IFRS 9 and is recognised as a gain or loss associated with the loss of control attributable to the former controlling interest. Refer to accounting policy 3.1(b) for further information in regards to equity investments classified as financial assets.

3.3 Finance income and expenses

Financing income includes interest receivable on intercompany receivables, and net foreign exchange gains. Financing expenses include interest payable on intercompany payables and net foreign exchange losses. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest rate method. The Company has made the transition from Interbank Offered Rates ("IBOR") as its interest rates to using Sterling Overnight Index Average ("SONIA") due to reforms carried out by the Bank of England in relation to interest rate benchmarks. The change has resulted in adjustments to the interest rates used for calculating interest on related party loans.

3.4 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies of the group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Nonmonetary assets and liabilities denominated in foreign currencies, are retranslated to the functional currency at the exchange rate at the date that the cost was determined. Foreign currency gains and losses are reported on a net basis.

3.5 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

4. Share of profit from partnership interest

The Company holds a partnership interest in HLHZ UK Holdings, LP. During the year, the Company did not receive a discretionary profit share (31 March 2022: £96,696,247) in regards to its partnership interest.

5. Finance income and expenses

	Year ended 31 March 2023	Year ended 31 March 2022
	\$	\$
Interest received on related party loans	-	76,890
Other interest received	15	-
Total finance income	15	76,890
Interest paid on related party loans	(1,453,085)	(417,402)
Foreign exchange loss	-	(2)
Total finance expenses	(1,453,085)	(417,404)

6. Equity investments at fair value through other comprehensive income

	As at 31 March 2023	As at 31 March 2022
	\$	\$
<i>Roll forward of balances</i>		
Ownership interest at beginning of year	489,723,190	-
Remeasurement on initial recognition of equity investment at FVOCI	-	488,881,886
Subsequent changes in fair value	84,494,017	841,303
Fair value at end of the year	574,217,207	489,723,190

HLHZ UK Holdings, LP

In the prior year, the Company transferred its General Partnership ("GP") rights in HLHZ UK Holdings, LP to its ultimate parent, Houlihan Lokey, Inc, but retained its Limited Partnership ("LP") stake and rights entitling it to retain 99.99% of the economic benefits of the partnership. The transfer of the GP interests resulted in a loss of control in the investment in subsidiary under IFRS 10. Due to the loss of control, the investment in subsidiary was derecognised and the retained interest was subsequently remeasured as a financial asset at FVOCI. The fair value of the residual interest was calculated using a value in use based on discounted cash flows of the entity and its indirect subsidiaries. The equity investment is not held for trading under IFRS 9 at the date of initial application and the Company elected, at the date of initial application, to present changes in the fair value of the equity instrument in other comprehensive income.

The discount rates utilised in the value in use calculation were between 11.0% and 13.0% (31 March 2022: 10.5% and 11.5%), which was calculated using third party market estimates, market data and data derived from comparable companies. A long-term growth rate of 2% (31 March 2022: 3%), based on long-term inflationary growth rates, has been used. Budgeted earnings before interest and tax (EBIT) are based on Company forecasts. The fair value measurements are all categorised in level 3 of the fair value hierarchy.

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

	Year ended 31 March 2023	Year ended 31 March 2022
	\$	\$
7. Taxation		
Tax expense		
Current tax:		
Tax expense for the current year	146,768	211,138
Deferred tax:		
Origination and reversal of timing differences	(577,701)	(276,095)
Deferred tax expense (income) resulting from increase in tax rate	-	103,010
Effects of foreign exchange	23,602	(2,915)
Total tax expense for the period	<u>(407,331)</u>	<u>35,138</u>

Factors affecting the tax charge for the current period

The tax charge for the period is lower than that resulting from applying the standard rate of corporation tax in the UK: 19% (31 March 2022: 19%). The differences are explained below:

Profit / (loss) before tax	(1,508,531)	452,019,788
Income tax using group's domestic tax rate 19% (31 March 2022: 19%)	<u>(286,621)</u>	<u>85,883,760</u>
Effects of:		
Tax effect of share of partnership profits	433,389	288,276
Tax effect of exempt items	-	(85,960,898)
Change in opening deferred taxes resulting from increase in tax rate	-	103,010
Temporary differences	(577,701)	(276,095)
Foreign exchange	23,602	(2,915)
Total tax credit for the period	<u>(407,331)</u>	<u>35,138</u>

Deferred tax balance for the Company is as follows:

Opening balance	(429,147)	(630,497)
Temporary differences	577,701	276,095
Effect on opening deferred taxes of increase in tax rate	-	(103,010)
Foreign exchange movement in deferred tax balances held in foreign currencies	25,488	28,265
Closing balance	<u>174,042</u>	<u>(429,147)</u>

In April 2023, the UK government increased the corporate tax rate from 19% to 25% under Finance Bill No. 2. All temporary differences were remeasured to 25% in the 31 March 2022 financial statements after the Bill was substantially enacted.

The Company is a limited partner of HLHZ UK Holdings, LP. HLHZ UK Holdings, LP is considered a transparent entity and that share of its profit is determined for corporation tax purposes in accordance with the partnership's profit-sharing arrangements.

A deferred tax asset (2022: liability) has been recognised in respect of the share of partnership profits subject to current tax and is expected to be recognised by the Company in future periods.

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

	As at 31 March 2023 \$	As at 31 March 2022 \$
8. Investments in subsidiaries		
<i>Roll forward of balances</i>		
Carrying value at the beginning of the year	60,638,676	181,625,138
Derecognition on reclassification to financial asset at FVOCI	-	(133,152,355)
Additions	-	17,895,140
Disposals	-	(5,729,247)
Carrying value at the end of the year	60,638,676	60,638,676

Derecognition on reclassification to financial asset at FVOCI

In the prior year, the Company transferred its general partner interest in HLHZ UK Holdings, LP to Houlihan Lokey, Inc., resulting in a loss of control of the subsidiary. Refer note 6 for further details.

Additions and disposals

In the prior year, the Company commenced dissolution proceedings in regards to its subsidiary Lara (Italy Holdco) Limited, recording a partial disposal of investment of \$5,729,247, by way of final settlement of all assets and liabilities and a capital reduction. As part of the final distribution received, the Company received 100% of the shares in Houlihan Lokey S.p.A, at a value of \$17,895,140. Lara (Italy Holdco) Limited was formally dissolved on 30 August 2022.

Impairment assessment

At year end, the Company has performed an impairment assessment in accordance with the requirements of IAS 36 - Impairment of Assets. The assessment involved the identification of any indicators of impairment for each subsidiary. After review of the relevant external and internal factors, including changes in the economic and geo-political environment, business performance, legal and regulatory changes and future cash flow expectations, no indicators of impairment were identified for any of its subsidiaries. Therefore, the carrying amounts of each investment is considered to be fully recoverable and no impairment loss has been recognised in the statement of profit or loss.

The Company has direct holdings in subsidiary undertakings as follows:

Name of Company	Valuation method	% holding 2023	% holding 2022	Country of incorporation	Principal
Held directly					
Houlihan Lokey Capital (Asia) Limited		100%	100%	United Kingdom	Holding Company
Houlihan Lokey GmbH		100%	100%	Germany	Corporate finance advisory
Houlihan Lokey (Netherlands) B.V.		100%	100%	The Netherlands	Corporate finance advisory
Houlihan Lokey (MEA Financial Advisory) Limited		100%	100%	U.A.E	Corporate finance advisory
Lara (Italy Holdco) Limited		0%	100%	United Kingdom	Holding Company
Houlihan Lokey S.p.A		100%	100%	Italy	Corporate finance advisory
Held indirectly					
Houlihan Lokey (China) Limited		100%	100%	Hong Kong	Corporate finance advisory
Houlihan Lokey (Singapore) Private Limited		100%	100%	Singapore	Corporate finance advisory
Houlihan Lokey Investment Consulting (Beijing) Co. Limited		100%	100%	China	Corporate finance advisory
Non-controlling interests					
HLHZ UK Holdings, LP		99.99%	99.99%	United States	Holding Company
Houlihan Lokey (Europe) Limited		99.99%	99.99%	United Kingdom	Holding Company
Houlihan Lokey EMEA, LLP		99.99%	99.99%	United Kingdom	Corporate finance advisory
Houlihan Lokey (Corporate Finance) Limited		99.99%	99.99%	United Kingdom	Corporate finance advisory
Baylor Klein Limited		99.99%	99.99%	United Kingdom	Corporate finance advisory
Houlihan Lokey Advisory Limited		99.99%	0%	United Kingdom	Corporate finance advisory
Houlihan Lokey (España) S.A.		99.99%	99.99%	Spain	Corporate finance advisory
Houlihan Lokey Corporate Finance, S.A.U.		99.99%	99.99%	Spain	Corporate finance advisory
Houlihan Lokey (Europe) GmbH		99.99%	99.99%	Germany	Corporate finance advisory

Houlihan Lokey Capital (Holdings) Limited.

Notes to the financial statements

8. Investments in subsidiaries (continued)

The Company's group interest, Houlihan Lokey (Europe) Limited, holds a direct membership in the entity Houlihan Lokey EMEA, LLP. The membership interest gives Houlihan Lokey (Europe) Limited rights to 100% of the partnership assets of that entity, with the exception of the individual capital contributions made by other members to the partnership. Similarly, the other members of the partnership do not hold any rights to the partnership assets, other than for their own capital contributions and any amount owing to them as designated under profit shares. Given this, the ownership of Houlihan Lokey EMEA, LLP is considered to be held 100% by Houlihan Lokey (Europe) Limited.

9. Cash at bank

Cash at bank is available on demand.

10. Other current assets

Other current assets relates to withholding tax receivable of \$1,762,374 (2022: \$1,721,208) on dividends received from subsidiary Houlihan Lokey GmbH. This amount was received in full subsequent to year end.

11. Related parties

Parent and ultimate controlling party

The ultimate parent company is Houlihan Lokey, Inc. a publicly owned United States based international financial services Company listed on the New York Stock Exchange. The ultimate holding Company represents the smallest and largest group in which the results of the Company are consolidated. Copies of the financial statements of the parent Company may be obtained from Houlihan Lokey, Inc., 10250 Constellation Blvd., 5th Floor Los Angeles, CA 90067.

There were no dividends paid to the Company's parent Houlihan Lokey, Inc. (2022: \$96,696,247).

The Company was a party to various related party transactions throughout the year. As per IAS 24 - Related Party Disclosures - these parties are related because they are members of the same group, in that they all have the same ultimate parent company. During the year, the company did not receive any profit shares or dividends from related parties.

	As at 31 March 2023	As at 31 March 2022
Intercompany amounts with related parties	\$	\$
Intercompany amounts owed from related parties	-	1
Intercompany amounts owed to related parties	(49,899)	(4,901,270)
	<u>(49,899)</u>	<u>(4,901,269)</u>

At 31 March 2023, the Company owes \$49,899 to related parties (31 March 2022: \$4,901,270), the amount is considered current and is non-interest bearing. At the reporting date, the Company is not owed an amount from related parties (31 March 2022: Owed \$1 from Houlihan Lokey, Inc). Related party loan balances are repayable on demand and interest accrues monthly at a variable rate based on the USD LIBOR plus a 1% margin from April to December 2022 and the USD Secured Overnight Financing Rate ("SOFR") plus a margin of 1% from January to March 2023 (2022: USD LIBOR plus a margin of 1%).

Loans owed to related parties, repayable on demand

HLHZ UK Holdings, LP	(42,550,106)	(35,250,999)
Houlihan Lokey (China) Limited	(4,857,711)	(4,703,940)
	<u>(47,407,817)</u>	<u>(39,954,939)</u>

While the above loans owed to HLHZ UK Holdings, LP and Houlihan Lokey (China) Limited are both disclosed as repayable on demand, they are intended to be long term lending structures to be utilized in accordance with the company's treasury function. The balances can fluctuate based on the lenders' cash availability or needs, but there is no intention that the loans be repaid in full in the foreseeable future. Both loans are disclosed inclusive of accrued interest. The applicable interest rates for related party loan balances is the SOFR plus a margin of 1% (2022: USD LIBOR plus a margin of 1%), accrued daily from date of issue. At 31 March 2023, loans owed by related parties were nil (2022: nil).

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

	As at 31 March 2023 \$	As at 31 March 2022 \$
12. Other current liabilities		
Other current liabilities	52,036	50,427
Total other current liabilities	52,036	50,427

Other current liabilities include accrued statutory audit and tax fees (2022: same).

	As at 31 March 2023 \$	As at 31 March 2022 \$
13. Share capital		
Ordinary shares of £1 each:	Number	
Issued and fully paid	813,527	1,299,979

The ordinary share capital of the company is designated in Sterling. There is also £24,696,534 of additional paid in capital in the form of share premium.

	As at 31 March 2023 \$	As at 31 March 2022 \$
14. Reconciliation of movements in shareholders' funds		
Opening shareholder's funds	506,586,768	150,457,062
Profit / (loss) for the year	(1,101,200)	451,984,650
Dividends paid	-	(96,696,247)
Fair value changes in equity investments	84,494,017	841,303
Closing shareholder's funds	589,979,585	506,586,768

15. Auditor remuneration

Fees paid for the Company's statutory audit amounted to \$42,480 (2022: \$41,593). No other fees were paid to the auditor. The audit fees were paid by another group company and recharged to the Company.

16. Financial risk management

Capital management

The Company manages its capital to ensure it will be able to continue as a going concern. This involves an assessment of the risks inherent in its subsidiaries and investments business models. Share capital and reserves are managed to meet the requirements of its operating subsidiaries, and are disclosed in notes 13 and 14.

Credit risk

The Company is not exposed to credit risk in relation to external receivables balances. The only other credit risk identified is in relation to credit risk on liquid funds, and this is limited because the Company holds limited cash, and the counterparties are banks with good credit-ratings assigned by international credit rating agencies.

Operational risk

Operational risk is the potential risk of financial loss or impairment to reputation resulting from inadequate or failed internal processes and systems, from the actions of people or from external events. Given the actions mentioned above, the operational risks facing the entity are more limited due to its reduced operations, and now are faced indirectly through its subsidiaries.

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

16. Financial risk management (continued)

Currency risk

The company has indirect material foreign currency exposures, including with regards to its direct and indirect investments in other entities. Its subsidiaries in the UK and Europe are exposed to risk of fluctuations in exchange rates between EUR, GBP and USD, as these entities manage their business activities in a combination of EUR, GBP and USD. The company's Asia-based subsidiaries are generally exposed to the risk of fluctuations in currency pairings including RMB, SGD, HKD and USD since these entities manage their business activities in RMB, SGD, HKD and USD. The exposure between USD and HKD is limited as the two currencies are pegged. The company does not consider it has material foreign currency exposure on its Middle East-based subsidiary Houlihan Lokey (MEA Financial Advisory) Limited because the entity manages its business in USD and AED, and the exposure limited as the two currencies are pegged. This is not a comprehensive list of currencies the company and its affiliates operate in, but does cover all material exposures. The company has direct foreign currency exposures through its foreign currency designated assets and liabilities with related and other parties, as follows:

	As at 31 March 2023	
	EURO	GBP
	\$	\$
Intercompany amounts owed to related parties	(1,582,500)	(620,201)
Other assets and liabilities	1,582,500	620,201
Net balance sheet exposure	-	-

	As at 31 March 2022	
	EURO	GBP
	\$	\$
Intercompany amounts owed to related parties	(1,582,500)	440,742
Other assets and liabilities	1,582,500	(440,742)
Net balance sheet exposure	-	-

The following average exchange rates applied during the year:

	Average rates	
USD	Year ended 31 March 2023	Year ended 31 March 2022
	\$	\$
1 EURO	1.04	1.16
1 GBP	1.20	1.36

Sensitivity Analysis

A 10% weakening or strengthening of USD against the Euro and Sterling at 31 March 2023 would have no impact on reserves on the net balance sheet exposure as there is no foreign currency exposure (2022: nil impact). The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the year ended 31 March 2022.

Liquidity risk

The liquidity risk within the Company is managed centrally in conjunction with the Company's parent entities. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash on demand to meet its liabilities when due under both normal and stressed conditions. The type of cash instrument used and its maturity will depend on the company's forecasted cash requirements. In fulfilling its function as an investment holding company, the company collects and distributes cash to and from its subsidiaries and investments and makes loans to related parties. The interest on the loans is rolled into the loan and becomes payable on demand with the loan. The company therefore monitors these funding needs and should any short term funding be required, it may demand repayment on its loan or request cash from its parent company.

Houlihan Lokey Capital (Holdings) Limited

Notes to the financial statements

16. Financial risk management (continued)

Maturity analysis

The maturity on the company's contractual cash flows on financial assets and liabilities as at 31 March 2023 were as follows:

	Total	On Demand	0-3 months	3-12 months	12 months +
	\$	\$	\$	\$	\$
<i>Financial assets</i>					
Cash and cash equivalents	4,005	4,005	-	-	-
Equity investments at fair value through other comprehensive income	574,217,207	-	-	-	574,217,207
	574,221,212	4,005	-	-	574,217,207
<i>Financial liabilities</i>					
Amounts owed to related parties, repayable on demand	(49,899)	(49,899)	-	-	-
Loans owed to related parties, repayable on demand	(47,407,817)	(47,407,817)	-	-	-
Other current liabilities	(52,036)	-	-	(52,036)	-
	(47,509,752)	(47,457,716)	-	(52,036)	-
Net contractual cashflows	526,711,460	(47,453,711)	-	(52,036)	574,217,207

Maturity analysis

The maturity on the company's contractual cash flows on financial assets and liabilities as at 31 March 2022 were as follows:

	Total	On Demand	0-3 months	3-12 months	12 months +
	\$	\$	\$	\$	\$
<i>Financial assets</i>					
Cash and cash equivalents	527	527	-	-	-
Amounts owed by related parties, repayable on demand	1	-	1	-	-
Equity investments at fair value through other comprehensive income	489,723,190	-	-	-	489,723,190
	489,723,718	527	1	-	489,723,190
<i>Financial liabilities</i>					
Amounts owed to related parties, repayable on demand	(4,901,270)	-	(4,901,270)	-	-
Loans owed to related parties, repayable on demand	(39,954,939)	(39,954,939)	-	-	-
Other current liabilities	(50,427)	-	-	(50,427)	-
	(44,906,636)	(39,954,939)	(4,901,270)	(50,427)	-
Net contractual cashflows	444,817,082	(39,954,412)	(4,901,269)	(50,427)	489,723,190

17. Information about employees and directors

The Directors are employed and remunerated by other companies within the Houlihan Group and consider that their services to the Company are incidental to their other responsibilities within the Houlihan Group. The Directors' remuneration in respect of their qualifying services for the company is therefore considered to be trivial. The Company does not reimburse its related companies for services rendered by the directors.

The Company had no employees during the year (31 March 2022: no employees). The Company receives administrative services from related companies within the group and the group companies have borne the cost of these services.

18. Subsequent events

There are no events between balance sheet date and the authorisation of the financial statements requiring disclosure.