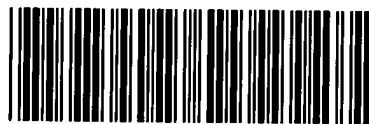


FM CAPITAL PARTNERS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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FM CAPITAL PARTNERS LTD

COMPANY INFORMATION

Directors	W Ashur Lord Hamilton of Epsom R D Turner S Creui A M Dughri
Registered number	06952225
Registered office	110 Park Street London W1K 6NX
Independent auditor	EVMS Partners LLP Chartered Accountants & Statutory Auditor 167-169 Great Portland Street 5 th Floor London W1W 5PF
Bankers	British Arab Commercial Bank plc 8-10 Mansion House Place London EC4N 8BJ

FM CAPITAL PARTNERS LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities and business review

The principal activity of the company during the period was that of fund management. The directors intend to continue to develop the business.

Principal risks and uncertainties

The principal risk for FM Capital Partners Ltd derives from the sanctions regime still in place against the assets of the Libya Africa Investment Portfolio (LAIP) which is the controlling shareholder of FM Capital Partners Ltd.

The company has obtained licenses from the relevant governmental authorities in order to manage certain LAIP assets and while operating under these sanctions has experienced limited impediments to the continued normal operations. The directors do not expect the sanctions to be lifted in the near future.

While continuing to note the risk of market volatility on the funds the directors have not identified any material uncertainties about the company's ability to continue as a going concern, as is further discussed in note 2.1 to the financial statements.

Financial key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company. However, this position continues to be under review by the directors and may change in the future.

Research and development activities

The company plans to continue to invest in people, information technology and telecommunications to improve our service and processes. The directors regard this investment in personnel and in the business' infrastructure as creating a solid governance framework, as well as being integral to the continuing success of the business. The company will also continue to invest in financial education and the development of new talent.

Future outlook

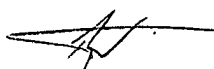
The company has been working to improve its infrastructure and product offering in order provide a better service to clients. Whilst it continues to upgrade infrastructure, the company will continue to seek opportunities for growth, and to increase assets under management, concentrating on a product offering tailored to institutional investors.

Directors' statement of compliance with duty to promote the success of the company

The company's customer is also the company's sole shareholder; this ensures that the relationship between maximising the Company's gain and the interests of both are maintained.

The company's key suppliers are its staff; the balance between retaining earnings and rewarding and retaining employees is managed through staff remuneration reflecting the expertise of each individual and the current market value of their skills along with a safe and healthy working environment. Such expertise and market value is maintained through constant review of performance and market conditions.

This report was approved by the board on 26 April 2023 and signed on its behalf.



R D Turner
Director

FM CAPITAL PARTNERS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The profit for the year, after taxation, amounted to £1,372,973 (2021 - £530,299).

No dividends have been paid or are proposed in respect of the year ended 31 December 2022 (2021: £nil). In accordance with certain sanctions (see note 2.1), dividends of £752,655 (2021: £752,655) in respect of the year ended 31 December 2014 which were formally approved but could not be paid are included within other payables.

Directors

The directors who served during the year were:

W Ashur
Lord Hamilton of Epsom
R D Turner
S Creui (appointed 22 August 2022)
A M Dughri (appointed 21 December 2022)

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements, in accordance with applicable law.

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 UK adopted international accounting standards.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, 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.

FM CAPITAL PARTNERS LTD

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

Provision of information to auditor

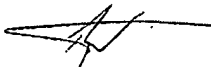
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Auditor

Blick Rothenberg Audit LLP resigned as the Company's auditor and EVMS Partners LLP were appointed to fill the casual vacancy arising by written ordinary resolution of the shareholder. EVMS Partners LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 26 April 2023 and signed on its behalf.



R D Turner
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FM CAPITAL PARTNERS LTD

Opinion

We have audited the financial statements of FM Capital Partners Ltd for the year ended 31 December 2022 which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes, including accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FM CAPITAL PARTNERS LTD
(CONTINUED)**

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

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:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FM CAPITAL PARTNERS LTD
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements (continued)

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act 2006, applicable tax legislation, the relevant rules of the Financial Conduct Authority ('the FCA') and the sanctions licenses under which the Company operates.

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Company for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

Another focus area was non-compliance with the rules of the FCA. The Company was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the Company and the FCA, performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters, including compliance with relevant sanctions licences, with the appointed officers of the Company.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

FM CAPITAL PARTNERS LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FM CAPITAL PARTNERS LTD
(CONTINUED)**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Alex Macpherson (Senior statutory auditor)
for and on behalf of
EVMS Partners LLP
Chartered Accountants
Statutory Auditor
167-169 Great Portland Street
5th Floor
London
W1W 5PF

26 April 2023

FM CAPITAL PARTNERS LTD

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Revenue	5	8,334,474	6,426,588
Administrative expenses		(6,592,358)	(5,754,451)
Operating profit		1,742,116	672,137
Finance expense	10	(60,508)	(77,681)
Profit before tax		1,681,608	594,456
Tax expense	11	(308,635)	(64,157)
Profit for the year		1,372,973	530,299
Total comprehensive income		1,372,973	530,299

The notes on pages 15 to 27 form part of these financial statements.

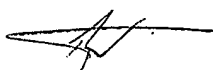
STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2022

	Note	2022 £	2021 £
Assets			
Non-current assets			
Property, plant and equipment	12	988,744	1,229,093
Intangible assets	13	—	—
Trade and other receivables	14	224,986	224,986
		<u>1,213,730</u>	<u>1,454,079</u>
Current assets			
Trade and other receivables	14	5,228,024	2,311,776
Cash and cash equivalents	18	10,524,322	11,146,780
		<u>15,752,346</u>	<u>13,458,556</u>
Total assets		<u>16,966,076</u>	<u>14,912,635</u>
Liabilities			
Non-current liabilities			
Loans and borrowings	16	598,139	954,730
		<u>598,139</u>	<u>954,730</u>
Current liabilities			
Trade and other liabilities	15	2,531,098	1,753,847
Corporation tax liabilities	11	309,307	66,480
Loans and borrowings	16	356,591	339,610
		<u>3,196,996</u>	<u>2,159,937</u>
Total liabilities		<u>3,795,135</u>	<u>3,114,667</u>
Net assets		<u>13,170,941</u>	<u>11,797,968</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Issued capital and reserves			
Share capital	17	402,000	402,000
Other reserves		198,000	198,000
Retained earnings		12,570,941	11,197,968
Total equity		<u>13,170,941</u>	<u>11,797,968</u>

The financial statements on pages 10 to 27 were approved and authorised for issue by the board of directors on 26 April 2023 and were signed on its behalf by:



R D Turner
Director

The notes on pages 15 to 27 form part of these financial statements.

FM CAPITAL PARTNERS LTD

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

	Share capital £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2021	402,000	198,000	10,667,669	11,267,669
Profit for the year	-	-	530,299	530,299
Total comprehensive income for the year	-	-	530,299	530,299
At 31 December 2021	402,000	198,000	11,197,968	11,797,968
At 1 January 2022	402,000	198,000	11,197,968	11,797,968
Profit for the year	-	-	1,372,973	1,372,973
Total comprehensive income for the year	-	-	1,372,973	1,373,973
At 31 December 2022	402,000	198,000	12,570,941	13,170,941

Other reserves constitute a capital redemption reserve created on the cancellation of share capital. This reserve is not distributable.

The notes on pages 15 to 27 form part of these financial statements.

FM CAPITAL PARTNERS LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		1,372,973	530,299
Adjustments for			
Depreciation of property, plant and equipment	12	353,212	356,853
Amortisation of intangible fixed assets	13	–	236,719
Finance expense		57,350	75,319
Income tax expense	11	308,635	64,157
		<u>2,092,170</u>	<u>1,263,347</u>
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(2,916,358)	1,262,548
Increase in trade and other payables		680,596	40,194
		<u>(143,592)</u>	<u>2,566,089</u>
Cash (used in)/generated from operations			
Income taxes paid		(65,806)	(258,604)
		<u>(209,398)</u>	<u>2,307,485</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(16,100)	(5,138)
Purchase of intangibles		–	–
		<u>(16,100)</u>	<u>(5,138)</u>
Cash flows from financing activities			
Payment of lease liabilities		(396,960)	(496,200)
		<u>(396,960)</u>	<u>(496,200)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(622,458)</u>	<u>1,806,147</u>
Cash and cash equivalents at the beginning of year		11,146,780	9,340,633
Cash and cash equivalents at the end of the year	18	<u>10,524,322</u>	<u>11,146,780</u>

The notes on pages 15 to 27 form part of these financial statements.

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

1. Reporting entity and basis of preparation

FM Capital Partners Ltd (the 'Company') is a limited company incorporated in the United Kingdom and registered in England and Wales. The Company's registered office is at 110 Park Street, London, W1K 6NX. The Company's principal activity is fund management.

The financial statements have been prepared in accordance with applicable law and United Kingdom adopted international accounting standards.

Details of the Company's accounting policies, including changes during the year, are included in note 2.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company 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 estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 4.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

There has been no material impact on the company's financial reporting from new standards and interpretations that are effective for accounting periods commencing on or after 1 January 2022.

Certain new standards and interpretations will be effective for accounting periods commencing on or after 1 January 2023, but none are anticipated to have anything other than a presentation impact on the company's financial reporting.

2. Accounting policies

2.1 Going concern

The sanctions imposed in March 2011 by the US, UK, EU and other international jurisdictions on the trading of assets controlled by certain Libyan individuals and entities, including the Libyan Africa Investment Portfolio, a shareholder and ultimate controlling party of FM Capital Partners Ltd ('FMCP') remain in operation as do the licenses obtained by FMCP to continue to managing the assets.

The sanctions have not prevented the Company from continuing normal operations and, although the directors do not believe the sanctions will be lifted in the near future, they have a valid expectation that the licences under which the company operates will not be withdrawn and will be renewed in due course.

Having considered these factors, the directors continue to adopt the going concern basis of accounting.

2.2 Revenue

Revenue represents fees receivable during the period for discretionary investment management services. Management fee and performance fees are recognised when receivable. Performance fees, which are based on the investment performance achieved for certain client portfolios relative to predefined benchmarks, are recognised as revenue at the end of the period over which the performance is measured.

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

2. Accounting policies (continued)

2.3 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.4 Pensions

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 the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Leasing

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in the 'Loans and borrowings' line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in 'Property, Plant and Equipment' in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in the profit and loss account.

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

2. Accounting policies (continued)

2.6 Taxation

Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when conditions for retaining associated tax allowances have been met.

2.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Leasehold improvements	the remaining life of the lease
Fixtures and fittings	3 years
Computer equipment	3-5 years

2.8 Intangible assets

Intangible assets acquired separately

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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

2. Accounting policies (continued)**2.9 Financial instruments (continued)**

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The company's cash holdings comprise on demand balances and deposit accounts. All cash is held with banks with strong external credit ratings.

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

Other than rent deposits disclosed in note 14 and lease liabilities disclosed in note 16, the company only has short term receivables and payables. As the lease liabilities are not subject to covenant compliance, the net current asset position, which stood at £12,555,350 at the balance sheet date, is a reasonable measure of the company's liquidity at that point. The undiscounted cash flows associated with the company's lease liabilities are provided in note 16.

3. Functional and presentation currency

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

4. Accounting estimates and judgments

Performance periods are coterminous with the accounting reference date so there is no material contingent revenue which has not been recognised.

5. Revenue

The following is an analysis of the Company's revenue for the year from continuing operations:

	2022 £	2021 £
Management fees recognised over time	7,348,599	6,426,588
Performance fees recognised at a point in time	985,875	—
	<u>8,334,474</u>	<u>6,426,588</u>

6. Expenses by nature

	2022 £	2021 £
Foreign exchange (gain)/loss	(186,385)	36,223
Depreciation of property, plant and equipment	353,212	356,853
Amortisation of intangible assets	—	236,719
	<u>—</u>	<u>—</u>

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

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	18,250	19,750
Fees payable to the Company's auditor for the audit of the Company's financial statements	18,250	19,750
Fees payable to the Company's auditor and its associates in respect of:		
Provision of accounting services	-	1,925
Preparation of corporation tax returns and computations	2,250	3,350
Preparation of financial statements	3,500	4,250
All non-audit services not included above	5,750	9,525

8. Employee benefit expenses

	2022 £	2021 £
Employee benefit expenses (including directors) comprise:		
Wages and salaries	3,408,514	3,030,592
National insurance	461,541	396,668
Defined contribution pension cost	76,934	76,561
	3,946,989	3,503,821

The monthly average number of persons, including the directors, employed by the Company during the year was as follows:

	2022 No.	2021 No.
Operations	24	22

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

9. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	450,540	448,625

The highest paid director received remuneration of £157,449 (2021 - £313,000).
There are no key management personnel other than the Company's directors.

10. Finance income and expense**Recognised in profit or loss**

	2022	2021
	£	£
Finance income		
Finance expense		
Interest on lease liabilities	57,350	75,319
Other interest payable	3,158	2,362
Total finance expense	60,508	77,681
Net finance expense recognised in profit or loss	(60,508)	(77,681)

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

11. Tax expense

11.1 Income tax recognised in profit or loss

	2022 £	2021 £
Current tax		
Current tax on profits for the year	319,277	112,390
Adjustments in respect of prior years	(10,642)	(48,233)
Total current tax	308,635	64,157
Total tax expense		
Tax expense	308,635	64,157

The standard rate of tax in the United Kingdom during the year was 19% (2021: 19%). The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2022 £	2021 £
Profit for the year	1,372,973	530,299
Income tax expense	308,635	64,157
Profit before income taxes	1,681,608	594,456
Tax using the Company's domestic tax rate of 19% (2021:19%)	319,506	112,947
Expenses not deductible for tax purposes	120	76
Capital allowances for the year in excess of depreciation	(21,270)	(690)
Adjustments to tax charge in respect of prior periods	(10,642)	(48,233)
Other timing differences leading to an increase/(decrease) in taxation	20,921	57
Total tax expense	308,635	64,157

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

11. Tax expense (continued)

11.2 Current tax liabilities

	2022 £	2021 £
Current tax liabilities		
Corporation tax payable	309,307	66,479

11.3 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

- deductible temporary differences	(8,612)	17,343
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12. Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Right-of-use asset £	Total £
Cost or valuation					
At 1 January 2021	211,528	145,891	213,517	2,225,005	2,795,941
Additions	-	-	5,138	-	5,138
At 31 December 2021	211,528	145,891	218,655	2,225,005	2,801,079
Additions	-	-	112,863	-	112,863
At 31 December 2022	211,528	145,891	331,518	2,225,005	2,913,942

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

12. Property, plant and equipment (continued)

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Right-of-use asset £	Total £
Accumulated depreciation and impairment					
At 1 January 2021	211,528	145,553	181,239	676,813	1,215,133
Charge for the year	-	254	18,193	338,406	356,853
At 31 December 2021	211,528	145,807	199,432	1,015,219	1,571,986
Charge for the year	-	84	14,722	338,406	353,212
At 31 December 2022	211,528	145,891	214,154	1,353,625	1,925,198
Net book value					
At 1 January 2021	-	338	32,278	1,548,192	1,580,808
At 31 December 2021	-	84	19,223	1,209,786	1,229,093
At 31 December 2022	-	-	117,364	871,380	988,744

Right-of-use assets represent the lease on the Company's offices.

13. Intangible assets

	Computer software £
Cost	
At 1 January 2021, 31 December 2021 and 31 December 2022	798,051

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

13. Intangible assets (continued)

	Computer software £
Accumulated amortisation and impairment	
At 1 January 2021	561,332
Charge for the year	236,719
At 31 December 2021	798,051
Charge for the year	-
At 31 December 2022	798,051
Net book value	
At 1 January 2021	236,719
At 31 December 2021 and 31 December 2022	-

14. Trade and other receivables

	2022 £	2021 £
Receivables from related parties	4,835,306	1,995,047
Total financial assets other than cash and cash equivalents classified as loans and receivables	4,835,306	1,995,047
Prepayments	238,860	227,305
Other receivables	378,844	314,410
Total trade and other receivables	5,453,010	2,536,762
Less: current portion - other receivables	(224,986)	(224,986)
Total current portion	5,228,024	2,311,776
Total non-current portion	224,986	224,986

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The identified impairment loss was immaterial.

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

15. Trade and other payables

	2022 £	2021 £
Trade payables	457,527	182,722
Other payables	760,903	763,652
Accruals	1,199,572	257,817
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	2,418,002	1,204,191
Other payables - tax and social security payments	113,096	549,656
Total trade and other payables	2,531,098	1,753,847

16. Leases

(i) Leases as a lessee

The Company's leasing activities related to the rental lease on the Company's offices.

Lease liabilities are due as follows:

	2022 £	2021 £
Contractual undiscounted cash flows due		
Not later than one year	396,960	396,960
Between one year and five years	625,348	1,022,308
	1,022,308	1,419,268
 Lease liabilities included in the Statement of financial position at 31 December	 954,730	 1,294,340
Non-current	598,139	954,730
Current	356,591	339,610

FM CAPITAL PARTNERS LTD

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

16. Leases (continued)

The undiscounted cash flows reconcile to the lease liabilities recognised through future interest charges of £67,578 (2021: £124,928).

The following amounts in respect of leases have been recognised in profit or loss:

	2022 £	2021 £
Interest expense on lease liabilities	<u>57,350</u>	<u>75,319</u>

17. Share capital**Authorised**

	2022 Number	2022 £	2021 Number	2021 £
Shares treated as equity				
Ordinary shares of £1.00 each	402,000	402,000	402,000	402,000
	<u>402,000</u>	<u>402,000</u>	<u>402,000</u>	<u>402,000</u>

Issued and fully paid

	2022 Number	2022 £	2021 Number	2021 £
Ordinary shares of £1.00 each				
At 1 January and 31 December	<u>402,000</u>	<u>402,000</u>	<u>402,000</u>	<u>402,000</u>

The company's capital and retained earnings constitute its capital. The only borrowings are the amounts payable under the company's office lease. As these are not subject to covenant compliance there is no significant risk that these will fall due ahead of the undiscounted payment schedule disclosed in note 16. Due to certain sanctions measures described in note 2.1, the company is currently unable to pay dividends to its single shareholder. However, in determining an appropriate dividend policy, the principal concern as regards capital management will be to maintain compliance with the capital requirements of the Financial Conduct Authority. These set down a minimum base level of capital, which is based on the company's overheads and which the company comfortably exceeds. There is a more subjective risk-focused level based upon the annual internal capital adequacy and risk assessment process ('ICARA'). The company has not been in breach of the FCA's requirements during the year or to the date of approval of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
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18. Notes supporting statement of cash flows

	2022 £	2021 £
Cash at bank available on demand	<u>10,524,322</u>	<u>11,146,780</u>

Cash and cash equivalents are subject to the impairment requirements of IFRS 9. The identified impairment loss was immaterial.

The company's financing cash flows relate solely to its lease liabilities. Payments during the year comprised interest of £57,350 (2021: £75,319) and repayments of principal of £339,610 (2021: £420,881). The principal repayments reduced the aggregate lease liabilities from £1,294,340 at 1 January 2022 (2021: £1,715,221) to £954,730 (2021: £1,294,340) at the balance sheet date.

19. Related party transactions

Turnover includes fees of £8,334,474 (2021: £6,426,588) receivable from Libya Africa Investment Portfolio, the company's parent, and from funds in which this portfolio's assets are invested. Included within debtors at 31 December 2022 was a balance of £690,435 (2021: £786,872) relating to trade debtors and a balance of £4,144,871 (2021: £1,208,175) relating to accrued income.

At the balance sheet date £752,655 (2021: £752,655) was outstanding in respect of dividends declared to Libya Africa Investment Portfolio during the year ended 31 December 2014 and is included in other creditors.

20. Controlling party

Libya Africa Investment Portfolio, a Libyan sovereign fund, is the ultimate controlling party.

Libya Africa Investment Portfolio has no representation in the Executive Management of the company.

21. Events after the reporting date

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