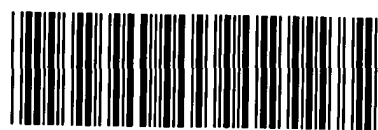


Company Registration No. 07404194 (England and Wales)

3B CAPITAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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3B CAPITAL LIMITED

COMPANY INFORMATION

Directors	D J Poutney J R C Serjeant P F Jackson
Company number	07404194
Registered office	15 Fetter Lane London EC4A 1BW
Auditor	Watson Associates (Audit Services) Limited 30-34 North Street Hailsham East Sussex BN27 1DW
Solicitors	Russell-Cooke LLP 2 Putney Hill Putney London SW15 6AB

3B CAPITAL LIMITED

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3B CAPITAL LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

I am pleased to report our results for the year ended 31 December 2020.

2020 FINANCIAL RESULTS

For very well known reasons, after a promising start, which included the end of the long running Brexit saga, 2020 did not live up to the early promise and there is no doubt that Covid-19 had a material adverse impact on our revenues for the year. After share scheme charges, Dowgate Capital, the Group's only operating subsidiary in 2020, reported a pre-tax profit of £230,142 for the year. Excluding these charges, which also impacted the 2019 results and thanks to the hard work of everyone at Dowgate, the adjusted result for 2020 was somewhat better, reasonably satisfactory in the circumstances and a great reflection of the dedication and hard work of everyone involved in the business.

Turnover at Dowgate Capital was £5.75m, a 42% increase on 2019, and pre-tax profit before share scheme charges was £474,955. This was a welcome increase on the 2019 pre-tax profit of £16,751. With some modest investment gains at 3B Capital, adjusted pre-tax profits for the group were £510,390, which compares with £156,160 in the previous year on a like for like basis.

The reported results for both years mask a substantial improvement in the underlying profit of the group brought about by significant investment over the past few years, not least of which has been the recruitment of many talented individuals, bringing the total number of Dowgate personnel to 40. This investment peaked at over £450,000 in 2019 but was still around £200,000 in 2020. It is regrettable that the onset of Covid-19 has prevented us from reaping the full rewards we had hoped for from this investment. I estimate that the market crash following the outbreak of Covid-19 and the postponement of at least one IPO cost us at least £1.2m in lost revenue. After the imposition of the first lockdown, the FTSE100 index fell by 34%, one of the most savage corrections ever seen. The damage in the real world was equally severe with UK GDP falling by over 11% in 2020, the biggest decline since the Great Frost of 1709. Vaccine optimism led to a market rally in the final quarter of 2020, but the FTSE100 index closed the year down 14.4%. It is important to put the results for 2020 in the context of these terrible figures.

I have always stressed the need to maintain a strong balance sheet and we continue to maintain a capital position that is well in excess of our minimum regulatory requirements. Net assets at 3B Capital increased over the year to £3.71m (2019:£3.25m). Within this net asset figure, cash accounted for £2.42m (2019 £2.41m).

Because of the uncertainty created by Covid-19, it was not felt appropriate to pay a dividend in 2020, our balance sheet strength notwithstanding. As outlined below, the prospects for 2021 have improved and I am pleased that the board has agreed to recommend a dividend of 13p per share, payable June 2021.

2021 OUTLOOK

In the London market, 2021 started quietly. The first two months saw the FTSE100 index move sideways, apparently reflecting a continuing lack of interest by international investors who had shunned London in 2021 over concerns about the UK's economic prospects post Brexit and the disastrous initial response to the pandemic which led to one of the highest per capita death rates in the world from the Covid 19 virus. This lack of interest had seen the London market significantly underperform the rest of the world. The 14.4% fall in the FTSE100 index contrasted sharply with the 12.2% rise in the MSCI All-Country World Index excluding the UK. After a slow start to 2021, there appears to be evidence that sentiment towards the UK is improving, not least because of one of the most successful vaccine rollout programmes in the world. This is happening against highly accommodative monetary policies by the world's central banks and no sign yet that governments plan to claw back any of the support packages designed to keep their economies afloat. The penalty may ultimately be a surge in inflation, but for the time being, austerity is off the agenda and this should be viewed as a positive for equities. Certainly, confidence is slowly returning, except perhaps in Europe as it wrestles with a rise in Covid 19 cases, and this should lead to a strong post lockdown recovery in UK GDP, the London stockmarket and with it the financial results of 3B Capital.

3B CAPITAL LIMITED

CHAIRMAN'S STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

COVID-19

In March 2020, although anticipated, the company did not see a reduction in operations as a result of the global COVID-19 pandemic. The company operates within the corporate broking & advisory and wealth management sector and the demand for its services has increased during the past year.


This continues to be an unprecedented situation but unlike the wider economy it has not caused a significant amount of uncertainty for the company.

The Directors have nevertheless considered the potential implications of COVID-19 and have taken the following actions to mitigate the principle risks and uncertainties. All measures taken by the company have taken into account the effect of the extent and duration of social distancing measures announced by the government in March 2020, as well as the impact on the economy and asset prices generally:

- Deferral of VAT payments in accordance with government guidelines
- Receipt of business rates relief for 2020-21
- Use of the Coronavirus Job Retention Scheme

Further measures are reviewed on an ongoing basis.

The liquidity of the company remains healthy due to the significant cash balance which is readily accessible.



.....
David Poutney
Chairman
.....

3B CAPITAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and consolidated financial statements for the year ended 31 December 2020, together with the auditor's report.

The directors' report has been prepared in accordance with the special provisions available to companies entitled to the small companies exemption.

Principal activities

The principal activity of the company during the year has been that of a holding company.

The principal activities of the group continued to be that of a private client agency stockbroker and the provision of corporate broking services to smaller quoted and unquoted companies.

The review of the period's activities is covered in the Chairman's Statement on page 1.

Description of principal risks and uncertainties

In common with other smaller businesses operating in a regulated financial services environment the group has identified the following as the key risks and their mitigants:

Loss of Staff - Staff are the most significant asset in the business. Retaining the services of key staff is essential to ongoing revenue generation and development of the business. The Board has established incentive arrangements to retain key staff, including remuneration packages, training and opportunities for staff to develop and expand their roles when possible.

Regulatory and Financial - The risk of breaches by staff or the business of qualitative or financial rules. The group has a culture of open and honest dealings with clients and its regulators. The group has a compliance function that provides training and education as well as monitoring of compliance performance. Regulatory capital requirements are closely monitored and the company retains capital balances well in excess of current regulatory requirements.

Business Continuity - Given the size of the group, its limited IT and premises requirements, the directors believe that if there was a major infrastructure failure or an incident occurring in close proximity to its premises, the group would be able to relocate quickly with minimal disruption to its clients and business activities.

Going concern

The directors, having a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, have prepared the financial statements on a going concern basis.

Results and dividends

The results for the year are set out on page 9.

The prospects for 2021 are much improved and the directors have declared an interim dividend of 13p per share.

Directors

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

D J Poutney
J R C Serjeant
P F Jackson

Financial instruments

Details regarding the group's use of financial instruments and their associated risks are given in note 16 to the financial statements.

3B CAPITAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Future developments

3B has recently invested into a newly formed company called Dowgate Wealth with a plan to build a standalone boutique Wealth Management company. The company has received FCA authorisation and hopes to commence operations in Q2 2021 including the launch of a UCITS fund. This though is dependent on FCA authorisation of the fund itself.

Auditor

In accordance with the company's articles, a resolution proposing that Watson Associates (Audit Services) Limited be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the Group's auditor is unaware. Additionally, the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

On behalf of the board



.....
J R C Serjeant
Director

Date: 20 May 2021
.....

3B CAPITAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

3B CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 3B CAPITAL LIMITED

Opinion

We have audited the financial statements of 3B Capital Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group income statement, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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 group's and parent 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.

3B CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF 3B CAPITAL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent 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.

3B CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF 3B CAPITAL LIMITED

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.

Audit procedures performed by the engagement team to detect irregularities, including fraud from instances of non-compliance with laws and regulations included:

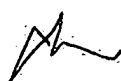
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in its significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or those posted by unexpected users;
- Testing all material consolidation adjustments to ensure these were appropriate in nature and magnitude;
- Reviewing relevant meeting minutes including those of the board of directors; and,
- Testing transactions entered into that are outside of the normal course of the company's business.

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 from inspection of the group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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.



Stephen J Moore FCCA (Senior Statutory Auditor)

For and on behalf of Watson Associates (Audit Services) Limited 17 May 2021

**Chartered Accountants
Statutory Auditor**

30-34 North Street
Hailsham
East Sussex
BN27 1DW

3B CAPITAL LIMITED

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£	as restated £
Turnover	3	5,750,752	3,999,518
Cost of sales		(2,875,406)	(2,056,679)
Gross profit		2,875,346	1,942,839
Administrative expenses		(2,413,212)	(1,978,099)
Operating profit/(loss)	4	462,134	(35,260)
Interest receivable and similar income	8	9,490	58,458
Interest payable and similar expenses	9	(203)	-
Gains /(losses) on investments	11	38,969	132,962
Profit before exceptional items		510,390	156,160
Share-based payment charges	21	(244,813)	(342,737)
Profit/(loss) before taxation		265,577	(186,577)
Taxation	10	(54,252)	21,843
Profit/(loss) and comprehensive income for the year		211,325	(164,734)

The income statement has been prepared on the basis that all operations are continuing operations.

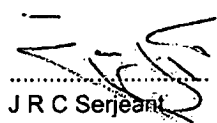
3B CAPITAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		86,122		64,526
Current assets					
Debtors	18	1,535,107		742,985	
Investments	17	562,164		591,316	
Cash at bank and in hand		2,420,767		2,409,397	
		4,518,038		3,743,698	
Creditors: amounts falling due within one year	19	(891,740)		(557,435)	
Net current assets			3,626,298		3,186,263
Total assets less current liabilities			3,712,420		3,250,789
Capital and reserves					
Called up share capital	22		631,208		631,208
Share premium account			1,411,533		1,406,040
Retained earnings			1,669,679		1,213,541
Total equity			3,712,420		3,250,789

The financial statements were approved by the board of directors and authorised for issue on 17 May 2021 and are signed on its behalf by:



J R C Serjeant
Director

The notes on pages 15 to 28 form an integral part of these financial statements

3B CAPITAL LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Investments in subsidiaries	14		1,508,050		1,263,237
Current assets					
Debtors	18	882,851		157,598	
Investments	17	494,189		548,993	
Cash at bank and in hand		14,287		669,316	
		<u>1,391,327</u>		<u>1,375,907</u>	
Creditors: amounts falling due within one year	19	<u>(10,742)</u>		<u>(29,368)</u>	
Net current assets			1,380,585		1,346,539
Total assets less current liabilities			<u>2,888,635</u>		<u>2,609,776</u>
Capital and reserves					
Called up share capital	22		631,208		631,208
Share premium account			1,411,533		1,406,040
Profit and loss reserves			845,894		572,528
Total equity			<u>2,888,635</u>		<u>2,609,776</u>

The financial statements were approved by the board of directors and authorised for issue on 17 May 2021
and are signed on its behalf by:


J R C Serjeant
Director

Company Registration No. 07404194

3B CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2019:					
Balance at 1 January 2019		631,208	1,406,040	1,131,889	3,169,137
Period ended 31 December 2019:					
Profit and total comprehensive income from the year		-	-	(164,734)	(164,734)
Issue of share capital	22	-	-	(20,239)	(20,239)
Dividends	12	-	-	(76,112)	(76,112)
Credit to equity for equity settled share-based payments	21	-	-	342,737	342,737
Balance at 31 December 2019		631,208	1,406,040	1,213,541	3,250,789
Period ended 31 December 2020:					
Profit and total comprehensive income from the year		-	-	211,325	211,325
Transactions with equity holders	22	-	5,493	-	5,493
Credit to equity for equity settled share-based payments	21	-	-	244,813	244,813
Balance at 31 December 2020		631,208	1,411,533	1,669,679	3,712,420

3B CAPITAL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2019:					
Balance at 1 January 2019		631,208	1,406,040	212,033	2,249,281
Period ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	114,109	114,109
Issue of share capital	22	-	-	(20,239)	(20,239)
Dividends	12	-	-	(76,112)	(76,112)
Credit to equity for equity settled share-based payments	21	-	-	342,737	342,737
Balance at 31 December 2019		631,208	1,406,040	572,528	2,609,776
Period ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	28,553	28,553
Transactions with equity holders	22	-	5,493	-	5,493
Credit to equity for equity settled share-based payments	21	-	-	244,813	244,813
Balance at 31 December 2020		631,208	1,411,533	845,894	2,888,635

3B CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29		18,010		(173,114)
Income taxes paid			(38,898)		(300,206)
Net cash outflow from operating activities			(20,888)		(473,320)
Investing activities					
Purchase of tangible fixed assets		(50,643)		(27,846)	
Purchases of other investments		68,121		206,485	
Interest received		6,960		21,211	
Dividends received		2,108		5,156	
Other investment income received		422		32,091	
Net cash generated from investing activities			26,968		237,097
Financing activities					
Proceeds from issue of shares		5,493		-	
Transactions with equity holders		-		(20,239)	
Interest paid		(203)		-	
Dividends paid		-		(76,112)	
Net cash generated from/(used in) financing activities			5,290		(96,351)
Net increase/(decrease) in cash and cash equivalents			11,370		(332,574)
Cash and cash equivalents at beginning of year			2,409,397		2,741,971
Cash and cash equivalents at end of year			2,420,767		2,409,397

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

3B Capital Limited is a company limited by shares incorporated under the Companies Act 2006 and registered in England and Wales. The registered office is 15 Fetter Lane, London, EC4A 1BW.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of current asset investments, and in accordance with the Financial Reporting Standard 102 (FRS 102) as issued by the Financial Reporting Council. The principal accounting policies applied throughout the current and prior year are set out below.

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £28,553 (2019 - £114,109 profit).

1.2 Basis of consolidation

In the group financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Going concern

As part of their regular assessment of prospects for the group, the directors reviewed a detailed one year plan and further projections to 31 December 2020. The group has sufficient cash resources and no cash borrowings.

As a result of such considerations, the directors have a reasonable expectation at the time of approving the financial statements that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Turnover

Turnover represents gross commissions and fees earned before deduction of clearing charges and shared commissions, profits or losses on investments, and other ancillary turnover. Fees are recognised only once contractual commitments have been entered into and the related service has been provided. Turnover from corporate retainer fees is recognised on a time basis.

1.5 Tangible fixed assets

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

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

Land and buildings - short leasehold	Over the length of lease
Fixtures and fittings	20% on cost per annum
Office equipment	33.33% on cost per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

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

1.8 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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

Investments in non-puttable ordinary shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the Company balance sheet, investment in subsidiaries are measured at cost less impairment.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Where trade and other receivables are on-demand facilities they are measured on recognition and subsequently at the undiscounted amount of the cash expected to be received.

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

Impairment of financial assets

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

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

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

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Where trade and other payables are on-demand facilities they are measured on recognition and subsequently at the undiscounted amount of the cash expected to be paid.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.9 Equity Instruments

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

1.10 Taxation

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

Current tax

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

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

The Group operates a non contributory defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using a binomial model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. As the company's parent is responsible for settlement of the arrangement, a matching capital contribution from the parent has been recognised in equity.

1.14 Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. No provisions are required for such items.

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020 £	2019 £
Turnover		
Retainers, fees and commissions	5,750,752	3,999,518
Dividends received	2,108	5,156

Turnover analysed by geographical market

	2020 £	2019 £
United Kingdom	5,750,752	3,999,518

4 Operating loss/profit

	2020 £	2019 £
Operating loss/profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	29,047	39,317
Operating lease charges	85,353	109,027

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group, the company and its subsidiaries	10,000	10,000
	10,000	10,000

6 Employees

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

	2020 Number	2019 Number
Office and management	24	19

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

(Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,835,940	2,980,579
Social security costs	284,499	188,018
Pension costs	39,915	20,172
	<u>4,160,354</u>	<u>3,188,769</u>

In addition, the group had an average of 9 (2019: 4.5) self employed consultants.

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	1,369,472	369,046
Company pension contributions to defined contribution schemes	11,601	3,338
	<u>1,381,073</u>	<u>379,980</u>

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

Remuneration for qualifying services	<u>287,899</u>	<u>203,086</u>
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8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	6,960	21,211
Other income from investments		
Dividends received	2,108	5,156
	<u>9,068</u>	<u>26,367</u>
Income from fixed asset investments		
Income from other fixed asset investments	422	32,091
	<u>9,490</u>	<u>58,458</u>
Total income		

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	203	-

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	101,313	38,893
Adjustments in respect of prior periods	-	(6,959)
Total current tax	101,313	31,934
Deferred tax		
Origination and reversal of timing differences	(41,128)	(59,879)
Changes in tax rates	(5,933)	-
Adjustment in respect of prior periods	-	6,102
Total deferred tax	(47,061)	(53,777)
Total tax charge/(credit)	54,252	(21,843)

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

	2020	2019
	£	£
Profit/(loss) before taxation	265,577	(186,577)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	50,460	(35,450)
Tax effect of expenses that are not deductible in determining taxable profit	6,667	7,280
Gains not taxable	-	(979)
Adjustments in respect of prior years	-	(6,959)
Effect of change in corporation tax rate	(5,933)	7,044
Depreciation on assets not qualifying for tax allowances	3,058	1,119
Deferred tax adjustments in respect of prior years	-	6,102
Taxation charge/(credit)	54,252	(21,843)

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Other gains and losses

	2020 £	2019 £
Gains/(losses) on remeasurement to fair value of quoted equity investments through profit and loss	38,969	132,962

12 Dividends

	2020 £	2019 £
Interim paid (nil per share (2018-12p))	-	76,112

13 Tangible assets

Group	Land and buildings - short leasehold £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2020	89,066	6,795	63,995	159,856
Additions	29,079	-	21,564	50,643
At 31 December 2020	118,145	6,795	85,559	210,499
Depreciation and impairment				
At 1 January 2020	47,924	1,255	46,151	95,330
Depreciation charged in the year	16,097	1,358	11,592	29,047
At 31 December 2020	64,021	2,613	57,743	124,377
Carrying amount				
At 31 December 2020	54,124	4,182	27,816	86,122
At 31 December 2019	41,142	5,540	17,844	64,526

The company had no tangible fixed assets assets at 31 December 2020 or 31 December 2019.

14 Investments in subsidiaries

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	1,508,050	1,263,237

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Dowgate Capital Limited	England and Wales	Stockbroking	Ordinary	100.00

16 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Cash and cash equivalents	2,420,767	2,409,397	14,287	669,316
Receivables measured at amortised cost	1,357,718	558,731	882,851	157,598
Equity instruments measured at fair value through profit and loss	562,164	591,316	1,414,689	1,469,493
	<u>4,340,649</u>	<u>3,559,444</u>	<u>2,311,827</u>	<u>2,296,407</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>401,111</u>	<u>472,033</u>	<u>3,860</u>	<u>3,860</u>

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Financial instruments

(Continued)

The principal financial instruments of the group comprise cash, trade debtors and trade creditors, and current asset investments. The group's policy is that it does not trade in financial instruments. In some instances, investments in equity instruments are made.

The main risks arising from the group's activities are liquidity risk, price risk, credit risk and interest rate risk. These are monitored by the Board of directors and were not considered to be significant at the balance sheet date.

The group's principal liquidity risk is to ensure that it has sufficient liquid assets to meet the regulatory capital requirements of its authorisation with the Financial Conduct Authority. This is closely monitored on a monthly basis and substantial unencumbered cash resources are retained in order to meet this requirement.

The group's current assets investments are fully funded. The group does not invest on a geared basis, does not act as a market maker, and only conducts principal trades on a matched principal basis. Therefore, the group's exposure to price risk is considered to be relatively small.

The group's cash deposits are primarily held with one of the major UK clearing banks and in client accounts at Jarvis Investment Management Limited ("Jarvis") and Global Prime Partners Limited ("GPP") which are FCA authorised and provide settlement and custodian services for the group's clients. The likelihood of default by either Jarvis, GPP or the clearing bank is considered small. The group's trade debtors relate primarily to amounts outstanding in respect of corporate retainers (which are invoiced in advance and non payments are promptly pursued) and returned commission amounts due from Jarvis and GPP, which are settled monthly.

The group has adequate cash resources and no borrowings, so is not at risk from increases in interest rates.

Market values have been used to determine the fair values of financial assets. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The group has Level 1 financial assets held at fair value, being quoted securities. There was no transfer between any of the levels during the year.

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Financial Instruments

(Continued)

Group	2020 Level 1 £	2020 Total £
Quoted securities	562,164	562,164
Company	2020 Level 1 £	2020 Total £
Quoted securities	494,189	494,189
Group	2019 Level 1 £	2019 Total £
Quoted securities	591,316	591,316
Company	2019 Level £	2019 Total £
Quoted securities	548,993	548,993

17 Current asset investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Listed investments	562,164	591,316	494,189	548,993
Listed investments included above:				
Listed investments carrying amount	562,164	591,316	494,189	548,993

18 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	546,834	201,129	-	-
Amounts due from subsidiary undertakings	-	-	291,255	-
Other debtors	810,884	258,602	591,596	157,598
Prepayments and accrued income	79,903	232,829	-	-
	1,437,621	692,560	882,851	157,598
Amounts falling due after one year:				
Deferred tax asset (note 23)	97,486	50,425	-	-
Total debtors	1,535,107	742,985	882,851	157,598

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	112,985	112,486	420	420
Corporation tax payable	101,308	38,893	6,882	25,508
Other taxation and social security	389,321	46,509	-	-
Other creditors	207,183	334,610	3,020	3,020
Accruals and deferred income	80,943	24,937	420	420
	<u>891,740</u>	<u>557,435</u>	<u>10,742</u>	<u>29,368</u>

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	<u>39,915</u>	<u>20,172</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share-based payment transactions

	Group 2020 £	2019 £	Company 2020 £	2019 £
Expenses recognised in the year				
Arising from equity settled share based payment transactions	<u>244,813</u>	<u>342,737</u>	<u>-</u>	<u>-</u>

22 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>631,208</u>	<u>631,208</u>	<u>631,208</u>	<u>631,208</u>

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £	Assets 2019 £
Group		
Accelerated capital allowances	(16,048)	-
Share based payments	111,634	50,425
Other timing differences	1,900	-
	<u>97,486</u>	<u>50,425</u>

The company has no recognised deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability/(asset) at 1 January 2020	(50,425)	-
Credit to profit or loss	(41,128)	-
Effect of change in tax rate - profit or loss	(5,933)	-
Liability/(asset) at 31 December 2020	<u>(97,486)</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

24 Financial commitments, guarantees and contingent liabilities

Under the agreement with the Group's clearing agent, the agent has recourse to the Group for any transactions of the client introduced to the agent which are not subsequently settled. The directors are of the opinion that adequate provision has been made against any such items outstanding at the year end which may give rise to a claim against the group.

25 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	88,641	104,161	-	-
Between two and five years	114,441	117,905	-	-

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

25 Operating lease commitments

(Continued)

	203,082	222,066	-	-
	<u>203,082</u>	<u>222,066</u>	<u>-</u>	<u>-</u>

26 Controlling party

There is no ultimate controlling party.

27 Related party transactions

The Group's directors are its key management personnel. Information regarding their remuneration is given in note 7. The company has taken advantage of the exemption allowed by paragraph 33.1a of FRS 102 not to disclose transactions with any entities that are included in the consolidated financial statements.

During the year, the group was charged £22,865 (2019: £31,490) by members of the Beavis Morgan LLP group for accounting and taxation services. Beavis Morgan LLP owns 15.8% (2019: 15.8%) of the issued equity shares of 3B Capital Limited and has a representative on its board. The balance owed to members of the Beavis Morgan LLP group at 31 December 2020 was £1,800 (2019: £1,800).

Amounts of £228,825 (2019: £nil) are due from entities controlled by members of the group's key management personnel.

28 Analysis of changes in net funds - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	2,409,397	11,370	2,420,767
	<u>2,409,397</u>	<u>11,370</u>	<u>2,420,767</u>

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

29 Cash generated from operations	2020 £	2019 £
Profit for the year	211,325	(164,734)
Adjustments for:		
Income tax expense recognised in profit or loss	54,252	(21,843)
Finance costs recognised in profit or loss	203	-
Investment income recognised in profit or loss	(9,490)	(58,458)
Depreciation and impairment of tangible fixed assets	29,047	39,317
Gain on sale of investments	(96,776)	(94,809)
Amounts written off/(gains) on investments	57,807	(38,153)
Equity settled share based payment expense	244,813	342,737
Movements in working capital:		
(Increase) in debtors	(745,061)	(437,960)
Increase in creditors	271,890	260,789
Cash generated from/(absorbed by) operations	18,010	(173,114)
30 Prior period adjustment		
Reconciliation of changes in equity - group		
	1 January	31 December
	2019	2019
	£	£
Adjustments to prior year		
Share-based payment transaction	1	-
Tax effect		58,265
Equity as previously reported	3,169,137	3,192,524
Equity as adjusted	3,169,137	3,250,789
Adjustments to prior year		2019
Share-based payment transaction	1	(342,737)
Tax effect		58,265
Total adjustments		(284,472)
Profit as previously reported		119,738
Loss as adjusted		(164,734)

3B CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

30 Prior period adjustment

(Continued)

Reconciliation of changes in equity - company

		1 January 2019 £	31 December 2019 £
	Notes		
Adjustments to prior year			
Share-based payment transactions	1	-	342,737
Equity as previously reported		2,249,281	2,267,039
Equity as adjusted		<u>2,249,281</u>	<u>2,609,776</u>

Reconciliation of changes in profit for the previous financial period

		2019 £
Adjustments to prior year		
Share-based payment transactions	1	-
Total adjustments		-
Profit as previously reported		114,109
Profit as adjusted		<u>114,109</u>

Notes to reconciliation

Share-based payment transactions

117,510 options over shares were issued during 2019 to certain employees of the company's subsidiary undertaking, Dowgate Capital Limited. As the company is responsible for settlement of the arrangement in its own shares, the comparative figures have been restated to show a capital contribution to the subsidiary and a corresponding credit to equity.