

PO 25015773/20

PO - 25015773/20

**DON'T
STAPLE**

OS AA01

Statement of details of parent law and other
information for an overseas company



Companies House

☒ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

☒ **What this form is for**
You cannot use this form to
an alteration of parent law
with accounting requirements.

TUESDAY



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25/07/2023

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COMPANIES HOUSE

A44

30/06/2023

#20

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

NORTHCOURT LTD

UK establishment
number

B R 0 1 9 0 8 7

→ **Filling in this form**

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

Companies Act 1995, Laws of Malta

② This means the relevant rules or
legislation which regulates the
preparation of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3**.

☒ **Yes.** Please enter the name of the organisation or other
body which issued those principles below, and then go to **Section A3**.

Name of organisation
or body ③

International Financial Reporting Standards

③ Please insert the name of the
appropriate accounting organisation
or body.


OS AA01

Statement of details of parent law and other information for an overseas company

A3	Audited accounts	
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>❶ Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ❶	International Standards on Auditing	

Part 3

Signature

	I am signing this form on behalf of the overseas company.	
Signature	<p>Signature</p> <p>X  X</p>	
	<p>This form may be signed by: Director, Secretary, Permanent representative.</p>	

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Christine Wyse
Company name	Optio Group Ltd
Address	10th Floor
	1 Minster Court
	Mincing Lane
Post town	London
County/Region	
Postcode	E C 3 R 7 A A
Country	England, United Kingdom
DX	
Telephone	+447957 338 431



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

PO 25015773 / 20.

NORTHCOURT LIMITED

**Annual Report and Financial Statements
31 December 2022**

Company Registration Number: C52899

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COMPANIES HOUSE		

	Pages
Directors' report	1 - 4
Independent auditor's report	5 - 8
Statement of financial position	9
Statement of comprehensive income	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 27

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Northcourt Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Northcourt Limited (the "Company"), set out on pages 9 to 27, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Companies Act, 1995 (Cap. 386, Laws of Malta) (the "Act").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report. Our opinion on the financial statements does not cover this information, including the directors' report.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated.

PKF Assurance (Malta) Limited ■ 15 ■ Level 3 ■ Mannarino Road ■ Birkirkara BKR 9080 ■ Malta
Tel: +356 2148 4373 ■ Email: info@pkfmalta.com ■ Web: www.pkfmalta.com
Accountancy Board Reg. No. AB/2/15/07 ■ Company Reg. No. C70089 ■ VAT No. MT23332001

PKF Assurance (Malta) Ltd is a Maltese limited liability company that is duly licensed to act as an approved auditor under the terms of regulation 6 of the Insurance Business (Approved Auditor) Regulations 2000 made under the Insurance Business Act, Chapter, 403 of the Laws of Malta and is regulated by the same. PKF Assurance (Malta) Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Directors' report – continued

Events after reporting period

No significant events have occurred since the reporting date and up to date of this report which would require adjustment to or disclosure in these financial statements.

Statement of directors' responsibilities for the financial statements

The directors are required by the Companies Act, 1995 to prepare financial statements that give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances; and
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining 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, and that comply with the Companies Act, 1995 and the Maltese Insurance Directives 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.

The financial statements of Northcourt Limited for the period ended 31 December 2022 are included in the Annual Report 2022, which is published in hard-copy printed form and may be made available on the company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Directors' report - continued

Review of the business and future development - continued

The company was compliant with its regulatory capital requirements throughout the year, and met the own funds requirement as at 31 December 2022. The company's eligible own funds adequately covered and exceeded the required own funds and amounted to €330,755.

The board meets on a regular basis to discuss performance, position, underwriting and investment strategy in detail.

Principal risks and uncertainties

The insurance market the company operates in was a transitioning one, with premiums increasing on all lines of businesses. The key risks faced by the company are reviewed by the board on a regular basis.

The company's activities potentially expose it to a variety of financial risks, namely: market risks (including currency and interest rate risk), credit risk, liquidity, and cash flow risk. These risks and their management are more fully described in Note 2 to the Financial Statements.

In addition, the company operates in a very competitive market where it seeks to manage competition risk through a thorough understanding of its clients' needs, keen pricing and innovative product design and structuring. Reputation is also important, and the company seeks to manage this risk through high standards of governance and putting the fair treatment of its customers at the heart of its business approach.

To mitigate the impact of Brexit the company has been operating two separate binders, one for the EEA and the other for the non-EEA countries, since 2019 and this separation applies equally to both the PDBI and Liability binders. Each of the binders in force is supported by a combination of Lloyds Syndicates and Company markets every one of whom has made similar arrangements to adequately prepare themselves individually for Brexit. This combination means Brexit has not had a negative impact and following FCA approval in September 2022 the Company now operates in the UK as an Appointed Representative of Optio Underwriting Limited (OUL).

Most policies that fell due for renewal within the last financial year were renewed and negotiations with the markets for further business development were carried out accordingly and continue so to be. The directors expect a satisfactory financial performance will be achieved in the foreseeable future and, on this basis, the Board is comfortable for the financial statements to be signed on a 'Going concern' basis.

The directors expect that a satisfactory financial performance will be achieved in the foreseeable future and on this basis, the Board is comfortable for the financial statements to be signed on a 'Going concern' basis.

Directors' report

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

Directors

The directors of the company who held office during the year were:

Mr Alan Patrick Rickett
Mr John Mawson (Appointed - 5 May 2021 – Resigned 30 June 2022)
Mr Kevin Cleary (Appointed - 3 May 2021)
Mr David Galea (Appointed - 31 May 2021)
Mr Udaiveer Anand (Appointed – 5 December 2022)
Mr David Robinson (Appointed – March 2023)

The company's Articles of Association do not require any directors to retire.

Company secretaries

Dr James Bannister
Mr Angelo Buhagiar

Principal activities

The company's principal activity is that of trading as an insurance broker in terms of the Insurance Directive Act, 2006 which business it carries out from its office in Malta and from its branch office in London. Its focus is on the global markets for nuclear insurance. In these markets it offers greater flexibility for nuclear utilities to re-structure their insurance programmes to meet their requirements and spread their risk. The company operates two binders, Property Damage and Nuclear Third Party Liability. Its panel of insurers on these binders comprise Lloyds Syndicates and insurance companies, all "A" security rated or above. The company places insurance risks on a global basis wherever Lloyds of London and its insurance companies have a license.

Results and dividends

The statement of comprehensive income is shown on page 12. During the year under review no dividend has been declared (period ended 31 December 2021: Nil). The balance of retained earnings amounting to €216,378 will be carried forward to the next financial year.

Review of the business and future development

Revenue during the year of €2,825,958 shows an increase of 110% over the previous period (31 December 2021: €1,343,481) due to change of financial year end and prior financial period being 9 months. Costs incurred were €2,685,097 also show an increase of 119% compared to the previous year (31 December 2021: €1,225,868). Profit before tax amounted to €140,861 (31 December 2021: €117,613). As at 31 December 2022, total equity amounted to €396,047 (31 December 2021: €312,357).

We are continuing to see an upward movement in premium rates for both our property and liability binders. The Company has been successful in securing new business despite increased competition. The changes to the Paris Convention came into force on 1 January 2022, which resulted in higher limits of liability and increased demand for nuclear liability insurance. The Company is looking to grow its capacity for both binders over the next 12 months to take advantages of market conditions. The directors are confident that the performance of the company will continue to improve in the foreseeable future.

To mitigate the impact of Brexit the company has been operating two separate binders, one for the EEA and the other for the non-EEA countries, since 2019 and this separation applies equally to both the PDBI and Liability binders. Each of the binders in force is supported by a combination of Lloyds Syndicates and Company markets every one of whom has made similar arrangements to adequately prepare themselves individually for Brexit. This combination means Brexit has not had a negative impact and following FCA approval in September 2022 the Company now operates in the UK as an Appointed Representative of Optio Underwriting Limited (OUL).

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Northcourt Limited

Other Information - continued

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- 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 the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance

The directors are responsible for the preparation of the financial statements that (i) give a true and fair view in accordance with IFRS as adopted by the EU, (ii) are properly prepared in accordance with the provisions of the Act and the Insurance Business Act, and (iii) 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 has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Northcourt Limited

Auditor's Responsibilities for the Audit of the Financial Statements - continued

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Northcourt Limited

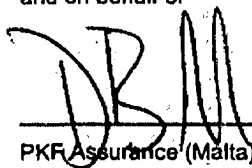
Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception under the Companies Act

Pursuant to articles 179(10) and 179(11) of the Maltese Companies Act (Cap. 386) Act, we have nothing to report to you with respect to the following matters:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we require for the purpose of our audit.

The principal in charge of the audit resulting in this independent auditor's report is Ms. Donna Greaves for and on behalf of



PKF Assurance (Malta) Limited

Registered Auditors

15, Level 3, Mannarino Road, Birkirkara BKR 9080, Malta


20th April 2023

Directors' report - continued

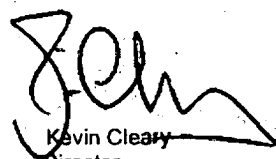
Auditors

PKF Assurance (Malta) Limited who have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



David Galea
Director



Kevin Cleary
Director

Registered office
The Hedge Business Centre,
Level 3, Triq ir-Rampa ta' San Giljan,
Balluta Bay, St Julians, STJ1062
Malta

20th April 2023

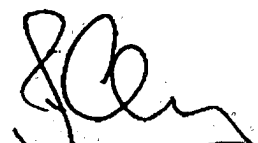
Statement of financial position

		As at 31 December	
	Notes	2022 €	2021 €
ASSETS			
Non-current assets			
Property and equipment	5	2,230	4,307
Total non-current assets		2,230	4,307
Current assets			
Trade and other receivables	6	460,930	481,524
Business of insurance accounts	7	-	498
Cash and cash equivalents	7	1,224,615	853,629
Total current assets		1,685,545	1,335,651
Total assets		1,687,775	1,339,958
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	179,669	179,669
Retained earnings		216,378	132,688
Total equity		396,047	312,357
Current liabilities			
Trade and other payables	9	525,898	318,942
Current tax liability		552,844	495,673
Dividends Proposed & Payable		212,986	212,986
Total current liabilities		1,291,728	1,027,601
Total equity and liabilities		1,687,775	1,339,958

The notes on pages 13 to 27 are an integral part of these financial statements.

The financial statements on pages 9 to 27 were authorised for issue by the board on 20th April 2023 and were signed on its behalf by:


David Galea
Director


Kevin Cleary
Director

Statement of comprehensive income

		For the year ended 31 December 2022	For the period from 1 April 2021 to 31 December 2021
	Notes	€	€
Revenue		2,825,958	1,343,481
Administrative expenses	10	(2,685,097)	(1,225,868)
Profit before taxation		140,861	117,613
Taxation charge	12	(57,171)	(30,985)
Profit for the year/period - total comprehensive income		83,690	86,628

The notes on pages 13 to 27 are an integral part of these financial statements.

Statement of changes in equity

	Note	Share capital €	Retained earnings €	Total €
Balance at 1 April 2021		179,669	46,060	225,729
Comprehensive income				
Profit for the period				
- total comprehensive income		-	86,628	86,628
Balance at 31 December 2021		179,669	132,688	312,357
Balance at 1 January 2022		179,669	132,688	312,357
Comprehensive income				
Profit for the year				
- total comprehensive income		-	83,690	83,690
Balance at 31 December 2022		179,669	216,378	396,047

The notes on pages 13 to 27 are an integral part of these financial statements.

Statement of cash flows

		For the year ended 31 December	For the period from 1 April 2021 to 31 December
		2022	2021
	Notes	€	€
Cash flows from operating activities			
Cash generated from operations	13	370,488	282,768
Income tax paid		-	(249,925)
Net cash generated from operating activities		370,488	32,843
Cash flows from financing activities			
Dividends paid		-	(843,867)
Net cash used in financing activities		-	(843,867)
Net movement in cash and cash equivalents		370,488	(811,024)
Cash and cash equivalents at the beginning of year		854,127	1,665,151
Cash and cash equivalents at end of year	7	1,224,615	854,127

The notes on pages 13 to 27 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

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

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap.386) and the Insurance Distribution Act (Cap.487) and they have been prepared under the historical cost convention, except as otherwise stated in the relevant accounting policies.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the company's accounting policies (see Note 3 – Critical accounting estimates and judgements).

Standards, interpretations and amendments to published standards that are endorsed by EU and effective in the current year

In the current year, the Company has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in the EU for an accounting period that begins on or after 1 January 2022.

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (effective for annual reporting periods beginning on or after 1 January 2022)

These amendments and interpretations do not have an impact on the financial statements of the Company.

Standards, interpretations and amendments to published standards that are endorsed by the EU but not yet effective in the current year

Up to date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting year and which the Company has not early adopted but plans to adopt upon their effective date.

- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023)

1. Summary of significant accounting policies - continued

1.1 Basis of preparation - continued

Standards, interpretations and amendments to published standards that are endorsed by the EU but not yet effective in the current year - continued

- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual reporting periods beginning on or after 1 January 2023)

Standards, interpretations and amendments to published standards that are not yet endorsed by EU

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)

The Company is still assessing the effect of these changes on the financial statements.

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The Euro is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.3 Property and equipment

All property and equipment is initially recorded at historical cost less depreciation. Historical cost includes expenditure directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method on a monthly basis, to allocate the cost of the asset to their residual values over their estimated useful lives as follows:

Office equipment	10%
Computer equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

1. Summary of significant accounting policies - continued

1.3 Property and equipment - continued

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.4).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss.

1.4 Impairment of non-financial assets

Assets that have an indefinite useful life are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.5 Financial assets

1.5.1 Classification

The Company classifies its financial assets comprising the trade and other receivables and cash and cash equivalents as financial assets measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The company classifies its financial assets as at amortised cost only if both the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

1.5.2 Recognition, measurement and derecognition

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

1. Summary of significant accounting policies - continued

1.5 Financial assets - continued

1.5.3 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The company's financial assets are subject to the expected credit loss model.

Expected credit loss model

The company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The Company assumes that the credit risk on a financial asset has increased significantly if there is a significant deterioration in the credit rating of the counterparty, and it considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data such as significant financial difficulty of the borrower or issuer, or a breach of contract such as a default or a significant deterioration in the credit rating of the counterparty.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

1.5.4 Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

1.5.5 Cash and cash equivalents

Cash and cash equivalents comprise business of insurance broking accounts, deposits held at call with banks and cash at hand.

1. Summary of significant accounting policies - continued

1.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds.

1.7 Trade and other payables

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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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 realise the asset and settle the liability simultaneously.

In its capacity as an insurance broker, the Company collects premium on behalf of the respective insurers. Such funds are not legally due to the Company but rather to the said insurers. Consequently, the said amounts do not represent assets of the Company and have accordingly not been included in the statement of financial position, other than to the extent of the Company's uncollected commission income. The amounts, which the Company will be collecting on behalf of the said insurers, are presented in Note 4.

1.9 Current and deferred tax

The tax expense comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1. Summary of significant accounting policies - continued

1.10 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. The Company's revenue-generating activities mainly comprise brokerage commissions, giving rise to fixed percentage commission income.

(a) Brokerage

Brokerage is determined to be a single performance obligation and such obligation is satisfied when the Company places a policy with an insurer. The transaction price contains fixed commissions which are based on the value of premium placed with insurers and is recognised as the performance obligation is satisfied, which is when the principal's policy is sold, provided no significant further services will be required.

(b) Interest income

Interest income is recognised for all interest-bearing instruments on a time-proportion basis using the effective interest method.

1.11 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which an obligation to pay a dividend is established.

2. Financial risk and capital management

2.1 Financial risk factors

The Company's activities potentially expose it to a variety of financial risks: market risks (including cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency. A portion of the Company's purchases and its revenues are denominated in British Pound (GBP), US Dollar (USD), Canadian Dollar (CAD) and Swiss Francs (CHF). After consideration of the year end exposure to these currencies, the directors are of the opinion that the Company is not significantly exposed to foreign exchange risk and, accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

(ii) Cash flow interest rate risk

The Company is exposed to the risk of fluctuating market interest rates. The Company is exposed to cash flow interest rate risk on its bank balances.

Up to the reporting date, the Company did not have any hedging policy with respect to interest rate risk as exposure to such risk was not deemed to be significant by the directors. Management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the reporting date to be immaterial and accordingly, a sensitivity analysis for cash flow interest rate risk disclosing how profit or loss and equity would have been affected by changes in the interest rates that were reasonably possible at the reporting date is not deemed necessary.

(b) Credit risk

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward-looking information in determining any expected credit loss.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

2. Financial risk and capital management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The Company's exposure to credit risk is analysed as follows:

	2022 €	2021 €
Financial assets measured at amortised cost:		
Trade and other receivables (Note 6)	460,663	481,524
Cash and cash equivalents (Note 7)	1,224,615	854,127
	1,685,278	1,335,651

The maximum exposure to credit risk at the reporting period is as disclosed above.

The Company monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Company's receivables, taking into account historical experience.

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Company does not hold any collateral as security in this respect.

The Company's cash is placed with high quality banking institutions and the directors consider the credit risk to be low.

The Company assesses the credit quality of its customers taking into account financial position, past experience and other factors. The loss allowances for financial assets are based on assumptions about risk of default and, with effect from 1 April 2019, expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. The Company does not expect any significant losses from non-performance or default of its counterparties with respect to trade receivable since those counterparties have high quality rating and the unrated amount is insignificant. Accordingly, credit risk with respect to trade receivables is not expected to be material.

2. Financial risk and capital management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables (Note 9). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

All the Company's liabilities fall due within one year from the reporting date.

2.2 Capital management

The Company's objectives when managing capital are:

- to comply with the own funds requirements required by the Malta Financial Services Authority (MFSA); and
- to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Company is required to hold minimum own funds of in compliance with the rules issued by the MFSA. The minimum own funds required must be maintained at all times throughout the year. The company monitors its capital level on a regular basis.

The Company was compliant with the above mentioned own funds requirement at all times throughout the year.

The Company's capital which consists of its equity, as disclosed in the statement of financial position, is maintained taking cognisance of the financial obligations and commitments from operational requirements. As at the end of the reporting period the equity level was deemed adequate by directors.

2.3 Fair value of financial instruments

At 31 December 2022 and 31 December 2021 the carrying amounts of cash and cash equivalents, insurance receivables, insurance payables, accrued expenses and inter-company payables reflected in the financial statements are a reasonable estimate of fair value in view of the short term nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements, other than tax, are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

Provisions for taxation

The Company is subject to income tax in different jurisdictions. In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events.

New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will affect tax expense in the period that such a determination is made.

4. Offsetting financial assets and financial liabilities

In accordance with the accounting policy described in Note 1.8, the company has not recognised the following amounts of insurance receivables, cash balance and insurance payables pertaining to policies sold by the company on behalf of the insurers:

As at 31 December 2022	Gross amount of receivables and bank a/c balance	Insurers' balances not recognised in the financial statements
Insurance receivables	3,060,008	2,600,345
As at 31 December 2021	Gross amount of receivables and bank a/c balance	Insurers' balances not recognised in the financial statements
Insurance receivables	2,768,458	2,305,243

The uncollected commission income is included within trade and other receivables in Note 6.

5. Property and equipment

	Office equipment €	Computer equipment €	Total €
Year ended 31 December 2021			
Opening carrying amount	3,114	3,261	6,375
Depreciation charge	(586)	(1,482)	(2,068)
Closing carrying amount	2,528	1,779	4,307
At 31 December 2021			
Cost	7,812	19,477	27,289
Accumulated depreciation	(5,284)	(17,698)	(22,982)
Net carrying amount	2,528	1,779	4,307
Year ended 31 December 2022			
Opening carrying amount	2,528	1,779	4,307
Depreciation charge	(783)	(1,294)	(2,077)
Closing carrying amount	1,745	485	2,230
At 31 December 2022			
Cost	17,535	19,477	37,012
Accumulated depreciation	(15,790)	(18,992)	(34,782)
Net carrying amount	1,745	485	2,230

NORTHCOURT LIMITED
Annual Report and Financial Statements - 31 December 2022

6. Trade and other receivables

	2022 €	2021 €
Receivables arising from insurance transactions (Note 4)	459,663	463,215
Other receivables	-	1,230
Prepayments	1,267	17,079
	460,930	481,524

7. Cash and cash equivalents

For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise the following:

	2022 €	2021 €
Business of insurance accounts	-	498
Cash at bank - held at call	1,224,615	853,629
	1,224,615	854,127
Interest bearing - at floating rates	1,224,615	854,127

8. Share capital

	2022 €	2021 €
Authorised		
200,000 ordinary shares of €1 each	200,000	200,000
Issued and fully paid		
179,669 ordinary shares of €1 each	179,669	179,669

9. Trade and other payables

	2022 €	2021 €
Amounts due to other related parties	381,409	269,273
Accrued expenses	27,192	49,669
Provision for returns	117,048	-
Other payables	249	-
	525,898	318,942

The amounts due to other related parties were unsecured, interest-free and repayable on demand.

10. Expenses by nature

	2022 €	2021 €
Professional fees	53,960	138,098
Directors' emoluments	453,178	341,208
Directors' fees	-	7,167
Salaries	1,136,166	589,703
Insurance expense	62,896	18,507
Depreciation expense (Note 5)	2,077	2,068
Rent expense	127,295	11,236
Exchange (gain)	(59,654)	(39,190)
Other expenses	909,179	157,071
Total administrative expenses	<u>2,685,097</u>	<u>1,225,868</u>

Auditor's fees

Fees charged by the auditor for services rendered during the year ended 31 December 2022 and for the period ended 31 December 2021 relate to the following:

	2022 €	2021 €
Annual statutory audit	15,000	15,000
Other assurance services	-	-
Tax advisory and compliance services	4,762	9,622
	<u>19,762</u>	<u>24,622</u>

11. Employee benefit expense

	2022 €	2021 €
Salaries	<u>1,589,344</u>	<u>930,911</u>

Average number of persons employed by the company during the year was 4 (2021: 4).

12. Tax expense

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

	2022	2021
	€	€
Current tax - income tax expense	57,171	30,985
	2022	2021
	€	€
Profit before tax	140,862	117,613
Of which:		
- Profit Allocated to Malta	190,049	66,297
- Loss Allocated to UK permanent establishment	(49,187)	51,316
<i>Profit allocated to Malta</i>		
Tax on profit at 35%	66,517	23,204
Other difference	-	(2,482)
Tax charge in the accounts	66,517	20,722
<i>Loss allocated to UK permanent establishment</i>		
Tax on profit at 19%	(9,346)	10,263
Other difference	-	-
Tax charge in the accounts	(9,346)	10,263

13. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	2022 €	2021 €
Operating profit	140,861	117,613
Adjustments for: Depreciation (Note 5)	2,077	2,068
Changes in working capital: Trade and other receivables (Note 6)	20,594	257,913
Trade and other payables (Note 9)	206,956	(94,826)
Cash generated from operations	<u>370,488</u>	<u>282,768</u>

14. Related party transactions

Due to common ultimate shareholders and directors, companies forming part of the Optio Group are considered to be related parties.

Directors' fees and emoluments are disclosed in Note 10 to these financial statements.

Year-end balance of amounts due to the parent undertaking disclosed in Note 9 to these financial statements.

15. Statutory information

Northcourt Limited is a limited liability company incorporated in Malta with its registered address at The Hedge Business Centre, Level 3, Triq ir-Rampa ta' San Giljan, Balluta Bay, St Julians, STJ1062, Malta.

The immediate parent company of Northcourt Limited is GPS Malta Limited, a company registered in Malta.

The ultimate parent company is Optio Group Limited with registered address being 1 Minster Court, Mincing Lane, London, EC3R 7AA, United Kingdom. The ultimate controlling party is Spring TopCo Limited, a company registered in Guernsey with address 1Royal Plaza, Royal Avenue, St. Peter Port, Guernsey GY1 2HL.

The individual financial statements of the company are not incorporated in the financial statements of GPS Malta Limited due to the fact that the immediate parent company benefits from the consolidation exemption under the Companies Act, 1995 article 173 or Inclusion in Accounts of Foreign Parent under article 174.

16. Events after the reporting period

The directors confirm that there are no events after the statement of financial position date which require disclosure.