



FILLETED ANNUAL REPORT

for the Year Ended 31 March 2022 for Shawpoint Limited



Shawpoint Ltd.

STRATEGIC REPORT For the Year Ended 31 March 2022

OUR STORY

Shawpoint is an independent corporate finance firm offering clients investment banking services for listed businesses and unlisted small and medium sized enterprises (SMEs, or, the middle and lower mid-market). These services include M&A buy-side and sell-side, private market capital raising, and debt advisory. Our SME clients are largely founder-led, sub-£200m valued businesses.

The ethos of the firm is different to other M&A providers: we place outperformance for clients ahead of our own surety of income.

The firm addresses the needs of clients whose companies are often overlooked or poorly served by investment banks and boutique investment banks. Many of our clients are 'un-investment banked'. We believe this is an important part of the economy to support and enable. Providing these value-adding services is a significant growth opportunity for Shawpoint.

Our logo conveys and reminds us of our intention: **to provide investment banking services and City access for SMEs.**

BUSINESS REVIEW

Shawpoint has seen strong growth during the financial year. Revenue has increased by a factor of three reflecting growth in the size of transactions as well as the number of transactions Shawpoint helped its clients close. Additionally, we are anticipating significant growth in the next financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit Risk

The firm's primary credit risk are its banks (the firm's cash balance) and debtors:

- Barclays Bank Plc (S&P: A, Moody's: A1, Fitch: A+);
- Metro Bank (Fitch: B+); and
- Trade debtors.

Where the firm's remuneration from clients is success fee based, this is paid at the end of a client business sale or fund raise, which is when the client will have cash to make payments due the firm.

For the minority of the firm's work, which is consultancy, the firm is usually paid on a Net 15 basis and not later than a Net 30 basis.

Shawpoint Ltd.

STRATEGIC REPORT For the Year Ended 31 March 2022

Foreign Exchange Risk

The firm's predominant cost base is salaries due in GBP. The firm maintains GBP, USD and EUR bank accounts and 100% percent of revenue was GBP in this financial year.

Interest Rate Risk

The firm has no debt and maintains a positive balance in its bank accounts. The possibility of negative interest rates would not have a material effect on the firm's financial situation.

Inflation Risk

Inflation has increased over the year and the growth of the underlying drivers appear to be likely to be a notable risk in the coming years. However, the valuation of companies also generally rises and therefore the firm's remuneration.

Derivative Risk

The firm has no derivative exposure.

Other Risks and Uncertainties

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this poses no material threat to the firm's success.

The directors are continuing to assess the impact of the ongoing worldwide Covid pandemic. Shawpoint did not apply for any of the government financial support schemes available during the initial stages of the pandemic and are continuing to operating effectively. The directors do not consider the potential impact of Covid to be material to the business.

Political Involvement

The firm made no political donations (2021: £ nil). The firm has no intention of donating to political parties or politicians in the future.

Shawpoint Ltd.

STRATEGIC REPORT For the Year Ended 31 March 2022

Charitable Donations

The firm made a donation of £7,500 to the Bishop Wordsworth School Foundation charity, which supports Bishop Wordsworth's School with financial assistance to financially disadvantaged children applying for (and studying at) the school.

The firm's Chief Executive is a trustee of the school's Foundation.

Shawpoint Ltd.

STRATEGIC REPORT For the Year Ended 31 March 2022

Chief Executive's Report

The firm had another record year in terms of both revenue and executed sale valuations for clients. Our executed valuations this year materially out-performed where other M&A firms had pitched in competition for the sell-side mandate to our clients.

Geographically the firm is expanding with a banker based in Madrid, Spain where we plan to build an Iberian business in the same guise as our growing business in the UK.

The firm has outperformed its strategic intentions stated in the 2021 Annual Report and ends March 2022 engaged and mandated with more potential deal fees for 2023 than 2022.

Deal Origination

The firm continued to originate business from referrals from the principals of corporates it has advised (engagements) and from friends of the firm.

The firm intends to continue originating in this manner.

Execution

Exceeding our clients' requirements has borne significant new opportunities for the firm's engagement pipeline. We continue to put clients' execution requirements above our own.

The firm's revenues have more than doubled from the previous year despite the societal and economic impacts of Covid. The firm sees further growth next year from the strong deal pipeline.

Financials

The firm has helped our clients achieve their financing objectives in diverse and difficult circumstances. This work includes:

- Cross-border transactions involving multiple governing laws and legal entities
- Corporate strategic investment and acquisitions
- FTSE 250 firm

Our investor base network includes:

- Sovereign wealth funds
- Corporate strategic investors

Shawpoint Ltd.

STRATEGIC REPORT For the Year Ended 31 March 2022

- Investment bank principal strategic investment
- Private equity funds
- Family offices

Expertise

Throughout the year, the firm increased the breadth of domain knowledge and experience in its London team, which now comprises seven people and has expanded into Spain. The London team includes a senior in-house compliance professional, which only a handful of City corporate finance firms maintain and separately a Chief Operating Officer.

Shawpoint has provided the following advice to clients during the year:

- M&A: sell-side and buy-side mandates
- Privately raised equity

The firm does not undertake primary distribution or secondary client activity in the public equity markets or underwriting activities. The firm has no plans to provide these services.

Culture and Standards

The culture of a firm is the primary driver of its success. We regard culture as the behaviour someone will undertake in the absence of direction. Culture is the set of values that the everyone in the firm universally values and undertakes. Explaining, developing and enshrining culture is critical to the firm.

The firm became accredited by 'Investors in People' following a successful external audit in March 2020 and has successfully maintained this accreditation.

Financial Management

The prudent running of our firm provides our clients trust in our delivery. Ensuring our own financial sustainability in the case of the worst economic and financial shocks (while reducing our returns in the short term) maximises our long-term stability and execution ability through the most strenuous challenges. Despite the effects of Covid-2019 the firm used no support schemes and our prudent financial approach ensured smooth operations.

The firm adheres to three financial maxims:

Shawpoint Ltd.

STRATEGIC REPORT For the Year Ended 31 March 2022

- Maintain sufficient capital to fulfilling all financial obligations both internally and externally, and maintain necessary staff to fulfil client obligations for 9 months, even in the extreme shock situation of having no revenue during that period;
- No debt borrowing will be incurred (nor factoring);
- Payment of valid, commercial invoices within 30 days.

The firm promptly pays suppliers for their goods and services as a matter of reputable good practice.

Corporate Governance

The firm will soon be ten people and proportionality is required when developing corporate governance as the firm grows.

The firm's business continuity plan (BCP) was put to test and executed without problem when Covid-19 affected the UK. The firm began decentralised working (largely from home) which was implemented two weeks prior to the UK government's 'lockdown' instruction of March 26th, 2020, but has reverted to mostly office-based operations post 'lockdown'.

The board is committed to the fiduciary requirements of its regulator, the Financial Conduct Authority, and to its duty of care to its clients.

For 2022 the firm sought to:

- Maintain ISO 9001:2015 (Quality Management) Accreditation
- Maintain ISO 14001:2015 (Quality Management) Accreditation
- Maintain Investors in People Accreditation
- Consider the appointment of a Senior Independent Director (SID)

The firm has achieved these objectives and it is intended a SID Chair will join the board later in the 2022 calendar year. The firm will look to annually renew all of the above.

Independent Auditors & Audit Policy

The firm has appointed Mazers LLP as auditors for the financial statements for the 2022 annual report. Companies House and the Financial Conduct Authority do not require Shawpoint to be audited but the firm has chosen to do this for transparency to our prospective and engaged clients.

Further, as part of wider corporate governance best practice it is and will be the policy of the firm to change its independent auditors every three years to ensure truly independent scrutiny.

Shawpoint Ltd.

STRATEGIC REPORT For the Year Ended 31 March 2022

Business Growth

The firm has grown well and we are fortunate to have more organic opportunities in our pipeline than we can undertake.

We will remain focused on our expertise and plan to continue organic growth servicing the ‘un-investment banked’. There is the possibility to grow overseas and within the UK (i.e., a second office outside of London). The firm is also actively considering ways to enable support for younger stage firms.

ENVIRONMENTAL, SOCIAL, GOVERNANCE REPORT

Carbon Neutral

Shawpoint understands ‘Carbon Neutral’ as a term to describe carbon emissions caused by the firm such as from running offices and travel have been balanced out by funding an equivalent amount of carbon savings.

The firm uses Carbon Footprint to calculate the carbon created by Shawpoint’s activities and subsequent offsetting requirements. Carbon Footprint is a UK incorporated company adhering to ISO 9001 and ISO 14001 (Environmental Management) standards used by SMEs, public sector entities and Blue-Chip companies.

In the financial year 2022 the firm generated the following emissions from its offices in London, and staff work-related travel:

	Carbon Footprint (tonnes CO2e)	
	2022 (Covid)	2021 (Covid)
Offices (+ WFH[^])	3.90	3.90
Travel*	20.60	0.40
TOTAL	24.50	4.30
TOTAL/STAFF	3.10	1.07

[^]Work from home (WFH);

*For aviation travel calculations the firm uses “radiative forcing” methodology, which results in a conservative, higher carbon footprint calculation.

Shawpoint Ltd.

STRATEGIC REPORT For the Year Ended 31 March 2022

The firm more than offset its carbon footprint by supporting gold standard verified carbon reduction projects in global communities.

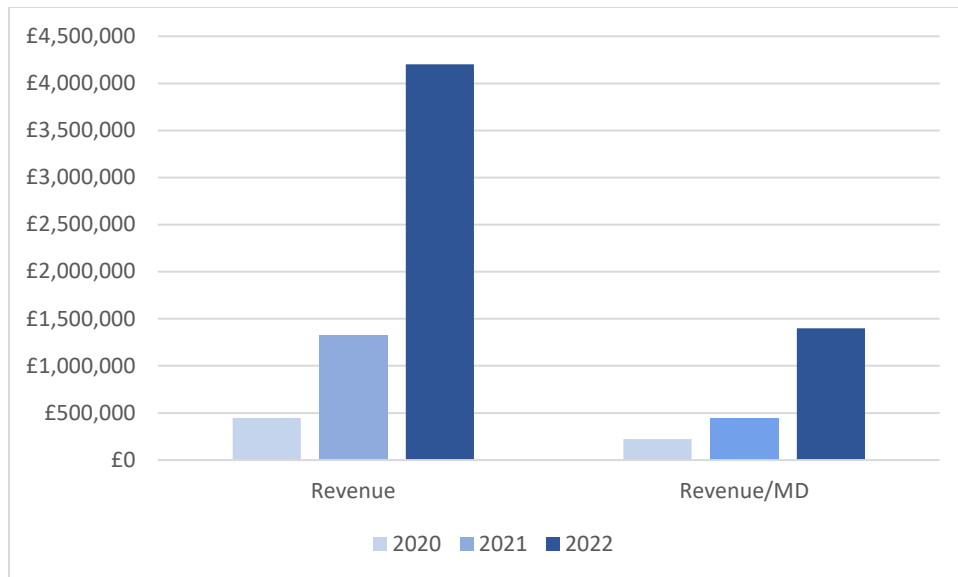
Career Enablement

The firm provides internships to undergraduates and graduates. This provides an opportunity for motivated individuals to experience the City and improve their employment opportunities.

Financial Highlights

The graph below shows a year-on-year comparison of revenue as well as a comparison of revenues per managing director. The increase in both total revenue and revenue per managing director has contributed to an over 70% increase in the company's net profit margin.

We are anticipating increased growth in both revenue and profits during the 2022/23 financial year.



Shawpoint Ltd.

REPORT OF THE DIRECTORS For the Year Ended 31 March 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of corporate finance advisory services. The company is authorised and regulated by the Financial Conduct Authority.

PLANS FOR FUTURE PERIODS

No significant changes are anticipated in the immediate future. The directors will continue to assess relevant opportunities to grow the company provided they are consistent with the company's business strategy and direction.

DIRECTORS

Jon Shaw and Mike Kaladeen have held office during the whole of the period from 1 April 2021 to the date of this report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. 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 the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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

Shawpoint Ltd.

REPORT OF THE DIRECTORS For the Year Ended 31 March 2022

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.

MATTERS COVERED IN THE STRATEGIC REPORT

The Directors have included the business review and consideration of risk management within the strategic review

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
Jon Shaw

Director

Date: 28/07/2022
.....

Shawpoint Ltd.

STATEMENT OF COMPREHENSIVE INCOME for the Year Ended 31 March 2022

	NOTES	2022 £	2021 £
REVENUE		4,200,720	1,324,453
Cost of sales		<u>222,867</u>	<u>135,625</u>
GROSS PROFIT		3,977,853	1,188,828
Administrative expenses		<u>2,629,997</u>	<u>488,464</u>
OPERATING PROFIT	4	1,347,856	700,364
Interest receivable and similar income		<u>-</u>	<u>1</u>
		1,347,856	700,365
Interest payable and similar expenses		<u>1,287</u>	<u>-</u>
PROFIT BEFORE TAXATION		1,346,569	700,365
Tax on profit	5	<u>255,789</u>	<u>133,857</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,090,780</u></u>	<u><u>566,508</u></u>


Shawpoint Ltd.


BALANCE SHEET for the Year Ended 31 March 2022

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	8	2,043		-	
Investments	9	88		-	
		<u>2,131</u>	2,131	<u>-</u>	-
CURRENT ASSETS					
Debtors	10	437,504		200,337	
Cash and cash equivalents		1,023,590		457,007	
		<u>1,461,094</u>		<u>657,344</u>	
CREDITORS					
Amounts falling due within one year	11	<u>(809,568)</u>		<u>(393,044)</u>	
NET CURRENT ASSETS			651,526	264,300	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>653,657</u>	<u>264,300</u>	
CAPITAL AND RESERVES					
Called up share capital	12		102		100
Share Premium Account	13		10,000		-
Profit and loss account	14		<u>643,555</u>		<u>264,200</u>
			<u>653,657</u>		<u>264,300</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime, and in accordance with the provisions of FRS102 1A, small entities. The company has opted not to file the statement of changes in equity in accordance with the provisions applicable to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 28th July 2022. and were signed on its behalf by:


.....
Jon Shaw - Director Date 28/07/2022


.....
Mike Kaladeen - Director Date 28/07/2022

Shawpoint Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

1. STATUTORY INFORMATION

Shawpoint Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number is 10580815 and registered office address is 16 Beaufort Court, Admiral's Way, Canary Wharf, London E14 9XL.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The financial statements for the year ended 31 March 2020 were not audited as an audit was not required.

The financial statements are prepared in sterling which is the functional currency of the company and balances in the financial statements are rounded to the nearest £.

As a small group the company is exempt from preparing consolidated financial statements.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors have adopted the going concern basis of accounting in preparing the financial statements.

Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue consists of retainer fees and success fees. Retainer fees, which are billed in monthly in arrears, are recognised on a time apportioned basis with unbilled amounts being included within accrued income.

Success fees are recognised in full on completion of a transaction. Fees linked to earn-out arrangements are recognised when the conditions of the earn-out have been met.

Shawpoint Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

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. The impairment loss is recognised in the statement of comprehensive income.

Valuation of Investments

Investments in subsidiaries are measured at cost less impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured

using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

Shawpoint Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company'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.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Recognition of success fees

Success fees in all cases, as explained in note 2, are recognised only on completion of a transaction. It is the judgement of the directors that to recognise any amounts earlier (for example on the signing of a transaction) would be inappropriate as it is only at the final closing of a transaction that all conditions attached to the transaction have been fully satisfied and the company is entitled to its fee. Such uncertainty, outside of the company's control, means that the recognition criteria for revenue are not met until the final closing of a transaction. As success fees represent a significant proportion of the company's revenue, this is considered a key area of judgement.

Shawpoint Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Auditor's remuneration	<u>14,500</u>	<u>9,500</u>

5. TAXATION

	2022	2021
	£	£
Current tax on profits for the year at 19%	<u>255,789</u>	<u>133,857</u>

6. EMPLOYEES AND DIRECTORS

The average number of employees including Directors during the year was 7 (2020 - 5).

7. DIRECTORS EMOLUMENTS

	2022	2021
	£	£
Director's emoluments	1,301,293	311,418
Company pension contributions	88,220	712
	<u>1,389,513</u>	<u>312,130</u>

Shawpoint Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

8. TANGIBLE FIXED ASSETS

	Fixtures fittings & equipment £	Total £
Cost		
At 1 April 2021	-	-
Additions	2,708	2,708
At 31 March 2022	<u>2,708</u>	<u>2,708</u>
Depreciation and impairment		
At 1 April 2021	-	-
Depreciation charged in the year	(655)	(655)
At 31 March 2022	<u>(655)</u>	<u>(655)</u>
Net book value		
At 31 March 2022	<u>2,043</u>	<u>2,043</u>
At 31 March 2021	<u>-</u>	<u>-</u>

9. FIXED ASSET INVESTMENTS

In October 2021 the company invested in a new entity Shawpoint Forum Ltd, whose registered office is at 16 Beaufort Court, Admirals Way, Canary Wharf, London, England E14 9XL. The company owns 87.5% of the ordinary shares of Shawpoint Forum Ltd. Shawpoint Forum Ltd, a company registered in England and Wales was dormant during the year.

	2022 £	2021 £
At 1 April 2021	-	-
Acquisitions	88	-
At 31 March 2022	<u>88</u>	<u>-</u>

Shawpoint Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	425,405	195,914
Prepayments and accrued income	8,228	4,423
Other debtors	3,871	-
	<u>437,504</u>	<u>200,377</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Corporation Tax	239,500	138,336
Other Taxes and Social Security	270,397	235,000
Other creditors	296,171	19,708
	<u>809,568</u>	<u>393,044</u>

12. SHARE CAPITAL

	2022 £	2021 £
0 (2021: 10,000) ordinary shares of £0.01 each	-	100
1,028,570 (2021: Nil) ordinary shares of £0.0001 each	<u>102</u>	<u>-</u>
	<u>102</u>	<u>100</u>

Shawpoint Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

By a resolution on 20 September 2021, 10,000 ordinary shares of £0.01 each were subdivided into 1,000,000 ordinary shares of £0.0001 each. On the same day 28,570 shares of £0.0001 each were allotted for a consideration of £0.3501 per share giving rise to a share premium of £10,000.

13. SHARE PREMIUM ACCOUNT

	2022 £	2021 £
Arising on share issue (see note 12)	<u>10,000</u>	<u>-</u>

The share premium account represents the amounts received in excess of the nominal value for issued share capital.

14. RESERVES

Profit and loss account: This reserve includes all current and prior period retained profits and losses net of dividends paid.

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged to the statement of comprehensive income was £94,564 (2021: £ 1,203).

16. RELATED PARTY TRANSACTIONS

Included within other debtors is a balance of £3,871 due from Jon Shaw, Director. This sum is interest free and was fully repaid post year end.

17. ULTIMATE CONTROLLING PARTY

Jon Shaw is the ultimate controlling party by virtue of his shareholding.

18. AUDITOR'S INFORMATION

The Auditor's report on the financial statements for the year ended March 31 2022 was unqualified.

Shawpoint Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

The Auditor's report was signed on 28 July 2022 by Craig Maxwell (Senior Statutory Auditor) on behalf of Mazars LLP.