

Company Registration No. 06506067 (England and Wales)

IIFL WEALTH (UK) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

IIFL WEALTH (UK) LTD

COMPANY INFORMATION

Director	Mr A Garg
Company number	06506067
Registered office	68 St Margarets Road Edgware Middlesex HA8 9UU
Auditor	Ashley King Ltd 68 St. Margarets Road Edgware Middlesex HA8 9UU
Business address	68 St Margarets Road Edgware Middlesex HA8 9UU

IIFL WEALTH (UK) LTD

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IIFL WEALTH (UK) LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents his annual report and financial statements for the year ended 31 March 2022.

Principal activities

The director has suspended the operations pending the outcome of the civil suit against the company in High Court of Justice, in England and Wales.

Director

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

Mr A Garg

Auditor

The auditors, Ashley King Ltd, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
Mr A Garg

Director

Date: 25 April 2022

IIFL WEALTH (UK) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IIFL WEALTH (UK) LTD

Disclaimer of Opinion

We were engaged to audit the financial statements of IIFL Wealth (UK) Ltd (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of the report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements

Basis for disclaimer of opinion

As stated in note 14 to the financial statements, the company has not been unable to provide sufficient, reliable and relevant information the on the level of liability which it may have in relation to the ongoing civil claim against it, and we have therefore not been to satisfy ourselves on actual or contingent liabilities, that may exist at the period end.

Emphasis of matter - basis of preparation of financial statements

We draw attention to Note 1.2 to the financial statements which explains why the director considers that it is not appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Assessed the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team and involving relevant internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

IIFL WEALTH (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF IIFL WEALTH (UK) LTD

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis of disclaimer of section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report and the director's report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the

IIFL WEALTH (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF IIFL WEALTH (UK) LTD

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.



Rajendrakumar Patel (Senior Statutory Auditor)
For and on behalf of Ashley King Ltd

10 May 2022

Chartered Accountants
Statutory Auditor

68 St. Margarets Road
Edgware
Middlesex
HA8 9UU

IIFL WEALTH (UK) LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	-	445,149
Cost of sales		4,704	(41,565)
		<hr/>	<hr/>
Gross profit		4,704	403,584
Administrative expenses		(9,329)	(371,910)
Other operating income		-	10,000
		<hr/>	<hr/>
Operating (loss)/profit	4	(4,625)	41,674
Interest receivable and similar income	7	-	89
		<hr/>	<hr/>
(Loss)/profit before taxation		(4,625)	41,763
Tax on (loss)/profit	8	-	(7,257)
		<hr/>	<hr/>
(Loss)/profit for the financial year		<u>(4,625)</u>	<u>34,506</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

IIFL WEALTH (UK) LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
(Loss)/profit for the year	(4,625)	34,506
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(4,625)</u>	<u>34,506</u>

IIFL WEALTH (UK) LTD

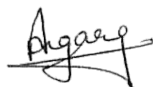
BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	9	31,555		104,630	
Cash at bank and in hand		182,400		155,158	
		<u>213,955</u>		<u>259,788</u>	
Creditors: amounts falling due within one year	10	<u>(39,055)</u>		<u>(80,263)</u>	
Net current assets			<u>174,900</u>		<u>179,525</u>
Capital and reserves					
Called up share capital	12		150,000		150,000
Profit and loss reserves	13		24,900		29,525
			<u>174,900</u>		<u>179,525</u>
Total equity			<u>174,900</u>		<u>179,525</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on



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Mr A Garg
Director

Company Registration No. 06506067

IIFL WEALTH (UK) LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2020	150,000	(4,981)	145,019
Year ended 31 March 2021:			
Profit and total comprehensive income for the year	-	34,506	34,506
	<u>150,000</u>	<u>29,525</u>	<u>179,525</u>
Balance at 31 March 2021	150,000	29,525	179,525
Year ended 31 March 2022:			
Loss and total comprehensive income for the year	-	(4,625)	(4,625)
	<u>150,000</u>	<u>24,900</u>	<u>174,900</u>
Balance at 31 March 2022	<u>150,000</u>	<u>24,900</u>	<u>174,900</u>

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

IIFL Wealth (UK) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 68 St Margarets Road, Edgware, Middlesex, HA8 9UU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

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

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

This 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:

- Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares;
- 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’ – Carrying amounts, 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.

The financial statements of the company are consolidated in the financial statements of IIFL Securities Limited, company No L99999MH1996PLC132983. These consolidated financial statements are available from its registered office, IIFL House, Sun Infotech Park, Road No.16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane -400604, Mumbai, India

1.2 Going concern

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

The company has currently suspended operations pending the outcome of a civil suite against it, and as a result the company has adopted an alternative basis of preparing these accounts, with the assets and liabilities stated at their current values.

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents fees and commissions receivable net of any VAT.

Fee income represents revenue earned under a wide variety of contracts to provide marketing and business support services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

Amounts recoverable under ongoing work in progress, is included in debtors, and are stated at the net sales value after provision for contingencies and anticipated future losses.

1.4 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:

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 credited or charged to profit or loss.

1.5 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.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, 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.

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors 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. Financial assets classified as receivable within one year are not amortised.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company 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 company.

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.9 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 profit and loss account 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Related party transactions

(Continued)

16 Ultimate controlling party

The company is under control of IIFL Securities Limited, registered in Mumbai, Maharashtra, India

17 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Turnover and other revenue

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

	2022	2021
	£	£
Turnover analysed by class of business		
Fees receivable	-	406,188
Marketing and Distribution income	-	38,961
	<u>-</u>	<u>445,149</u>

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	-	445,149
	<u>-</u>	<u>445,149</u>

	2022	2021
	£	£
Other significant revenue		
Interest income	-	89
	<u>-</u>	<u>89</u>

Turnover relates to services rendered in the United Kingdom.

4 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	409	619
(Profit)/loss on disposal of tangible fixed assets	-	1,014
	<u>409</u>	<u>1,633</u>

5 Employees

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

	2022	2021
	Number	Number
Consultants and support staff	1	5
	<u>1</u>	<u>5</u>

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Employees (Continued)

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	-	277,409
Social security costs	-	27,709
Pension costs	-	4,203
	<u>-</u>	<u>309,321</u>
	<u>-</u>	<u>309,321</u>

The company had no paid employees during the period. The director served the company without being remunerated.

6 Director's remuneration

	2022	2021
	£	£
Remuneration for qualifying services	-	115,828
	<u>-</u>	<u>115,828</u>

7 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Other interest income	-	89
	<u>-</u>	<u>89</u>

8 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	-	7,257
	<u>-</u>	<u>7,257</u>

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Taxation (Continued)

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

	2022 £	2021 £
(Loss)/profit before taxation	(4,625)	41,763
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(879)	7,935
Tax effect of expenses that are not deductible in determining taxable profit	-	192
Unutilised tax losses carried forward	8,659	(870)
Taxation charge for the year	7,780	7,257
Taxation charge in the financial statements	-	7,257
Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.	7,780	-

9 Debtors

	2022 £	2021 £
Trade debtors	-	42,188
Other debtors	31,555	62,442
	31,555	104,630

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	31,555	58,545
Corporation tax	-	7,257
Accruals and deferred income	7,500	14,461
	39,055	80,263

IIFL WEALTH (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	4,203
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

12 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary Shares of £1 each	150,000	150,000	150,000	150,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13 Profit and loss reserves

	2022	2021
	£	£
At the beginning of the year	29,525	(4,981)
(Loss)/profit for the year	(4,625)	34,506
	<u> </u>	<u> </u>
At the end of the year	24,900	29,525
	<u> </u>	<u> </u>

14 Financial commitments, guarantees and contingent liabilities

There is currently an ongoing pending civil suit against the company in High Court of Justice, in England and Wales. Although the claim was issued several years ago, the case is procedurally still at a very early stage. This is because the substantive proceedings have been effectively stayed while two of the other defendants pursued a jurisdiction challenge that went to the Court of Appeal. The Claimants have indicated there may be a further stay of these proceedings whilst separate proceedings are established, with a view to consolidating the two sets of proceedings in due course.

Whilst the director remains optimistic that the matter will be resolved in the company's favour, at this stage, the timetable for the rest of the proceedings has not yet been set, and this makes it difficult to predict with any certainty how the case develop or the time it will take to conclude. Given this it has not been possible to furnish the company's auditors of verifiable evidence or information on the level of contingent liability at the period end in regard to the ongoing litigation which may exist to enable them to reach their audit opinion

15 Related party transactions

During the year the company did not render any services. In 2021 it marketing support and business support services to group undertakings totalling £ 445,149.

During the year the company incurred a liability of £206,903. (2021 - £292,727) to a group undertaking. This liability which was released by the group so at the period end there was a balance of £ Nil (2021 - £ 42,188) due to the company from group undertakings.