

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023
FOR
ALBEMARLE ASSET MANAGEMENT LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2023

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ALBEMARLE ASSET MANAGEMENT LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2023

DIRECTORS: F C De Tomasi
C De Ranieri
L Savi

SECRETARY: L Savi

REGISTERED OFFICE: 3rd & 4th Floor, 21 Upper Brook Street
Mayfair
LONDON
W1K 7PY

REGISTERED NUMBER: 04745029 (England and Wales)

SENIOR STATUTORY AUDITOR: Robert Nissen F.C.A.

AUDITORS: Stein Richards
Chartered Accountants and Statutory Auditor
10 London Mews
Paddington
LONDON
W2 1HY

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023

The directors present their strategic report for the year ended 31st December 2023.

REVIEW OF BUSINESS

The results for the year are set out on page 12 and show the loss on ordinary activities after taxation for the year as being £737,349 (2022: £251,807). A significant part of these losses relate to legal fees on ongoing claims against the company.

At the year end, the net assets of the company amounted to £636,982 (2022: £1,374,331).

The turnover of the company for the year is £3,049,356 (2022: £2,683,082).

The company performed well in all the strategies in which it is involved, realising revenues through performance fees and management fees.

The year 2023 defied the financial markets expectations. A number of forecasts projected that major economies will fall into recession as the central banks raised the bank interest rates to combat the increase in inflation, however the economy remained resilient and the central banks did not increase the bank interest rates later in the year as inflation rate targets were met.

Overall, global equities soared despite rising geopolitical concerns, with war in Ukraine and hostilities emerging in the Middle East. In the bond market, prices recovered after posting their worst annual return in 2022.

As of December 31, 2023, the assets under management totalled £206 million (2022: £205 million).

PRINCIPAL RISKS AND UNCERTAINTIES

The company has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The Senior Management team takes overall responsibility for this process and the fundamental risk appetite of the company. The team has responsibility for the implementation and enforcement of the company's risk principles.

Senior Management meets on a regular basis and discusses current projections for profitability, cash flow, and business planning and risk management. Senior Management engage in the company's risks through a framework of policy and procedures having regard to the relevant laws, standards, principles and rules (including Financial Conduct Authority principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The Senior Management team has identified that business, operational, market and credit are the main areas of risk to which the company is exposed. Annually the Senior Management team formally review their risks, controls and other risk mitigation arrangements and assess their effectiveness.

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Business risk

The company's revenue is reliant on the performance of the existing funds under management and its ability to launch new funds/obtain new mandates. As such, the risk posed to the company relates to under performance resulting in a decline in revenue and adverse market conditions hindering the launch of new funds and ultimately the risk of redemption from the funds managed by the company. This risk is mitigated by the significant levels of capital held by the company which will continue to cover all the expenses of the business.

Operational risk

The company places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The company has identified a number of key operational risks to manage. These relate to systems failure, failure of a third party provider, potential for serious regulatory breaches, and market abuse. Appropriate policies are in place to mitigate against these risks, which includes taking out adequate professional indemnity insurance, compliance training for employees and business continuity planning.

Credit risk

The company is exposed to credit risk in respect of its debtors, investment management and performance fees billed and cash held on deposit.

Management fees are drawn monthly or quarterly from the funds managed and performance fees are drawn quarterly or annually where applicable. The company considers that there is little risk of default by its clients. All bank accounts are held with large international credit institutions.

Market risk

The company takes no market risk other than foreign exchange risk in respect of its accounts receivable and cash balances held in currencies other than Sterling.

Since the company takes no trading book positions on its balance sheet, the primary market risk relates to fluctuations in the value of its revenues due to movements in currency rates. The firm maintains multi-currency bank accounts and uses currency contracts to hedge this risk.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

SECTION 172(1) STATEMENT

The directors considered and established the necessary process to ensure that the company meets the requirements of The Companies (Miscellaneous Reporting) Regulations 2018 ("the Regulations") which came into effect on 1 January 2019.

These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

As part of their induction, directors are briefed on their duties. In addition, they can access professional advice either from the company secretary or from an independent adviser, if the directors judge it necessary.

The following summarise how the directors fulfill their duties:

The likely consequences of any decision in the long term

The company's long term objective is to offer a broader range of investment strategies and products, each one generating top quartile risk-adjusted returns.

Employees

The directors are committed to providing an environment that encourages involvement of all employees. Regular briefings through meetings keeps all the employees up to date with employment practices and health and safety, as well as the business aims of the company.

The directors and other key employees (i.e. Investment professionals) of the company participate in a discretionary profit share scheme as an incentive for long term commitment to the organisation.

The company's business relationships with suppliers, customers and others

The company has a diversified clientèle with whom contractual agreements are in place. The directors maintain close client relationships by providing excellent service.

The company's suppliers are fundamental to the business success and have multi-year contracts with the key suppliers.

The company operates in regulated markets and looks to maintain positive and open relationships with the relevant regulators.

The company reputation is effectively protected through its robust and well structured operational and control infrastructure and the experience of its staff.

Risk management

The directors provide services to clients, in a highly regulated environment. It is therefore vital that the directors effectively identify, evaluate, manage and mitigate the risk factors the company faces. For further details see principal risk and uncertainties and how the company manage for risk environment.

Shareholders

The directors are committed to openly engaging with the shareholders. It is important that the shareholders understand the company's strategy, objectives and performances and have their feedback and consider any issues raised.

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023

Maintaining a reputation for high standards of business conduct

The company's ethical code of conduct is a formal statement of business standards, practices and procedures which is issued to all directors and employees and forms an integral part of their contract of employment with the company.

Environment and Community

The directors recognise the importance of its role in managing social, economic and environmental issues in the course of running its business. The directors seek to co-ordinate and manage practices to maximise positive social and economic contribution and minimise the environmental impacts of its business, establishing positive impacts on the environment, our clients and employees.

KEY PERFORMANCE INDICATORS

The Company manages the business by reference to key performance indicators, the principal indicators are as follows:

Operating margins: 71.02% (2022: 57.78%) (gross profit/sales)

Liquidity ratio: 1.46 (2022: 3.07) (current assets/current liabilities)

The directors consider the company to be well financed at the year end.

The key non-financial performance indicators of the company are client service and satisfaction, and stakeholder relationships. The directors review the performance with constant feedback from clients and stakeholders.

The directors will continue to monitor the company's performance and have no plans for changes to the strategic objectives of the company in the foreseeable future.

ON BEHALF OF THE BOARD:



F C De Tomasi - Director

24th April 2024

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2023

The directors present their report with the financial statements of the company for the year ended 31st December 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing both individual and collective management services for private and institutional investors, financial and capital management consultancy, and managed investment solutions.

The company is authorised and regulated by The Financial Conduct Authority.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2023 to the date of this report.

F C De Tomasi
C De Ranieri
L Savi

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The directors have identified the principal risks and uncertainties facing the company and are disclosed in the Strategic Report.

MIFIDPRU 8 DISCLOSURE

Disclosures will be issued on an annual basis, at a minimum, and will be made available on the company's website.

DIRECTORS INDEMNITY INSURANCE

The company has directors' indemnity insurance policy for the current and the previous year.

EVENTS AFTER THE YEAR END

The outlook for the year 2023 is modestly positive. The company is in a good position in terms of its financial strength and can benefit from its proven investment strategy.

GOING CONCERN

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate cash resources to cover the company's requirements for working capital expenditure for at least the next twelve months from the date of approval of these accounts. The company therefore continues to adopt the going concern basis in preparing its financial statements.

However due to the uncertainties surrounding a legal claim made against the company by a former client at the time of approval of these accounts, the directors believe it is difficult to establish the impact this may have on the business (see Note 17 for further details).

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Stein Richards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



F C De Tomasi - Director

24th April 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALBEMARLE ASSET MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Albemarle Asset Management Limited (the 'company') for the year ended 31st December 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial statements, which indicates that there is a uncertainty surrounding a legal claim made against the company by former clients.

As stated in Note 2, these events or conditions, along with the other matters set out in Note 17, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALBEMARLE ASSET MANAGEMENT LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALBEMARLE ASSET MANAGEMENT LIMITED

Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with and enquiries made with the management with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with that team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being a significance to the entity.

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, company law, tax and pensions legislation.

- Those laws and regulations for which non compliance may be fundamental to the operating aspects of the company and therefore may have a material effect on the financial statements include compliance with Financial Conduct Authority (FCA) relating to designated investment business.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; enquiries with the compliance officer to ensure the entity complies with the FCA registration and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALBEMARLE ASSET MANAGEMENT LIMITED

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 a Report of the Auditors 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.

Robert Nissen F.C.A. (Senior Statutory Auditor)
for and on behalf of Stein Richards
Chartered Accountants and Statutory Auditor
10 London Mews
Paddington
LONDON
W2 1HY



24th April 2024

**STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Notes	31.12.23 £	31.12.22 £
TURNOVER	3	3,049,356	2,683,082
Cost of sales		883,819	1,132,819
GROSS PROFIT		2,165,537	1,550,263
Administrative expenses		2,803,434	1,991,564
OPERATING LOSS	6	(637,897)	(441,301)
Interest receivable and similar income		7,000	5,000
(Loss)/gain on revaluation of investments		(630,897) (106,452)	(436,301) 108,202
		(737,349)	(328,099)
Interest payable and similar expenses	7	-	25
LOSS BEFORE TAXATION		(737,349)	(328,124)
Tax on loss	8	-	(76,317)
LOSS FOR THE FINANCIAL YEAR		(737,349)	(251,807)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(737,349)	(251,807)

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2023

	Notes	31.12.23 £	£	31.12.22 £	£
FIXED ASSETS					
Tangible assets	9		4		1,463
Investments	10		137,180		232,452
			137,184		233,915
CURRENT ASSETS					
Debtors	11	1,393,281		1,001,985	
Cash at bank		174,532		690,504	
		1,567,813		1,692,489	
CREDITORS					
Amounts falling due within one year	12	1,068,015		552,073	
NET CURRENT ASSETS					
			499,798		1,140,416
TOTAL ASSETS LESS CURRENT LIABILITIES					
			636,982		1,374,331
CAPITAL AND RESERVES					
Called up share capital	15		1,000,000		1,000,000
Share premium			22,402		22,402
Capital redemption reserve			50,000		50,000
Retained earnings			(435,420)		301,929
SHAREHOLDERS' FUNDS					
			636,982		1,374,331

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 24th April 2024 and were signed on its behalf by:



F C De Tomasi - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st January 2022	1,000,000	553,736	22,402	50,000	1,626,138
Changes in equity					
Total comprehensive loss	-	(251,807)	-	-	(251,807)
Balance at 31st December 2022	<u>1,000,000</u>	<u>301,929</u>	<u>22,402</u>	<u>50,000</u>	<u>1,374,331</u>
Changes in equity					
Total comprehensive loss	-	(737,349)	-	-	(737,349)
Balance at 31st December 2023	<u><u>1,000,000</u></u>	<u><u>(435,420)</u></u>	<u><u>22,402</u></u>	<u><u>50,000</u></u>	<u><u>636,982</u></u>

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023

		31.12.23	31.12.22
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	20	(927,972)	574,496
Interest paid		-	(25)
Tax paid		-	(122,752)
		<hr/>	<hr/>
Net cash from operating activities		(927,972)	451,719
		<hr/>	<hr/>
Cash flows from investing activities			
Interest received		7,000	5,000
		<hr/>	<hr/>
Net cash from investing activities		7,000	5,000
		<hr/>	<hr/>
Cash flows from financing activities			
Loans given in the year		-	(405,000)
Loan repayments in year		405,000	-
		<hr/>	<hr/>
Net cash from financing activities		405,000	(405,000)
		<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents		(515,972)	51,719
Cash and cash equivalents at beginning of year	21	690,504	638,785
		<hr/>	<hr/>
Cash and cash equivalents at end of year	21	174,532	690,504
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. **STATUTORY INFORMATION**

Albemarle Asset Management Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate cash resources to cover the company's requirements for working capital expenditure for at least the next twelve months from the date of approval of these accounts. The company therefore continues to adopt the going concern basis in preparing its financial statements.

However due to the uncertainties surrounding a legal claim made against the company by a former client at the time of approval of these accounts, the directors believe it is difficult to establish the impact this may have on the business (see Note 17 for further details).

Turnover

Fee income includes management fees, advisory and consultancy fees, performance fees and execution fees.

Management fees, execution fees and advisory fees are recognised in the accounting period in which the associated investment management services are provided.

Performance fees are recognised when the prescribed performance benchmarks have been achieved and it is probable that the fee will crystallise as a result.

Consultancy fees are recognised on a straight-line basis over the contract term.

Fees receivable are accounted for on an accruals basis.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to profit and loss during the year in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using straight-line method and reducing balance method.

The estimated useful lives range as follows:

Short leasehold property	over 5 years
Fixtures & fittings and equipment	20% straight line
Computer equipment	25% straight line

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

All financial assets and liabilities are initially measured at transaction price, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to the local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. However deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position dates.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs

The company operates a defined contributions plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in other creditors as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Operating leases

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

Fixed asset investments

Fixed asset investments are valued at fair value. Changes in the fair value are recognised in profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023**

2. ACCOUNTING POLICIES - continued

Cash and cash equivalent

For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand and deposits held on call with the banks, all of which are available for use by the company unless otherwise stated.

Fair value measurement

The best evidence of fair value is a price for an identical asset in an active market. When prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.23	31.12.22
	£	£
United Kingdom	12,000	12,000
Europe	3,037,356	2,671,082
	<u>3,049,356</u>	<u>2,683,082</u>

4. EMPLOYEES AND DIRECTORS

	31.12.23	31.12.22
	£	£
Wages and salaries	1,016,272	765,422
Social security costs	132,862	133,382
Other pension costs	110,275	109,505
	<u>1,259,409</u>	<u>1,008,309</u>

The average number of employees during the year was as follows:

	31.12.23	31.12.22
Fund management	6	7
Administration	1	1
	<u>7</u>	<u>8</u>

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees and a director. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £110,275 (2022: £109,505).

Included in accruals is pension provision of £40,000 (2022: £nil).

The above disclosure includes the directors of the company.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023**

5. DIRECTORS' EMOLUMENTS AND KEY MANAGEMENT COMPENSATION

	31.12.23	31.12.22
	£	£
Directors' remuneration	<u>560,500</u>	<u>312,654</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	31.12.23	31.12.22
	£	£
Emoluments etc	<u>291,000</u>	<u>164,097</u>

The directors of the company are considered to be the key management personnel of the company. The benefits comprises of salary and bonuses earned during the current and the previous year.

6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	31.12.23	31.12.22
	£	£
Depreciation - owned assets	(9,721)	2,125
Auditors' remuneration	10,086	11,850
Foreign exchange differences	25,401	(18,792)
Fees to Auditors' for accounting services	<u>7,830</u>	<u>5,650</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.23	31.12.22
	£	£
Interest on taxes	<u>-</u>	<u>25</u>

8. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	31.12.23	31.12.22
	£	£
Current tax:		
UK corporation tax	<u>-</u>	<u>(76,317)</u>
Tax on loss	<u>-</u>	<u>(76,317)</u>

UK corporation tax was charged at 19% in 2022.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023**

8. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.23	31.12.22
	£	£
Loss before tax	<u>(737,349)</u>	<u>(328,124)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 23.520% (2022 - 19%)	(173,424)	(62,344)
Effects of:		
Expenses not deductible for tax purposes	36,378	(17,588)
Capital allowances in excess of depreciation	(2,659)	-
Depreciation in excess of capital allowances	-	36
Utilisation of tax losses	(1,646)	(950)
Underprovision to tax charge in respect of previous period	-	4,529
Tax losses carried forward	<u>141,351</u>	<u>-</u>
Total tax credit	<u>-</u>	<u>(76,317)</u>

The main rate of corporation tax currently is 19% and it will remain at that rate until 1 April 2023 when the rate will increase to 25% for companies with profits over £250,000. The 19% rate will become a small profits rate payable by companies with profits of £50,000 or less. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief, providing a gradual increase in the effective corporation tax rate.

9. TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st January 2023	13,859	41,142	32,503	87,504
Disposals	-	-	(19,892)	(19,892)
Reclassification/transfer	-	(11,180)	-	(11,180)
At 31st December 2023	<u>13,859</u>	<u>29,962</u>	<u>12,611</u>	<u>56,432</u>
DEPRECIATION				
At 1st January 2023	12,492	41,137	32,412	86,041
Charge for year	1,366	(11,177)	90	(9,721)
Eliminated on disposal	-	-	(19,892)	(19,892)
At 31st December 2023	<u>13,858</u>	<u>29,960</u>	<u>12,610</u>	<u>56,428</u>
NET BOOK VALUE				
At 31st December 2023	<u>1</u>	<u>2</u>	<u>1</u>	<u>4</u>
At 31st December 2022	<u>1,367</u>	<u>5</u>	<u>91</u>	<u>1,463</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023**

10. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	31.12.23	31.12.22
	£	£
Paintings	132,180	226,452
Antique books	5,000	6,000
	<u>137,180</u>	<u>232,452</u>

The investments are valued at fair value. Changes in the fair value are recognised in the profit and loss account.

11. DEBTORS

	31.12.23	31.12.22
	£	£
Amounts falling due within one year:		
Trade debtors	1,059,875	275,439
Amounts owed by group undertakings	-	405,000
Other debtors	-	1,607
Tax	80,846	80,846
VAT	46,583	41,586
Prepayments and accrued income	134,157	125,687
	<u>1,321,461</u>	<u>930,165</u>

Amounts falling due after more than one year:

Other debtors	<u>71,820</u>	<u>71,820</u>
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Aggregate amounts	<u>1,393,281</u>	<u>1,001,985</u>
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12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23	31.12.22
	£	£
Trade creditors	376,025	461,679
Social security and other taxes	32,477	34,826
Other creditors	4,433	-
Accrued expenses	655,080	55,568
	<u>1,068,015</u>	<u>552,073</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.23	31.12.22
	£	£
Within one year	119,700	119,700
Between one and five years	149,625	29,925
	<u>269,325</u>	<u>149,625</u>

14. FINANCIAL INSTRUMENTS

The financial assets measured at amortised cost as at 31 December 2023 are in the sum of £1,346,698 (2022: £879,553).

The financial assets measured at fair value as at 31 December 2023 are in the sum of £137,180 (2022: £232,452).

The financial liabilities measured at amortised cost as at 31 December 2023 are in the sum of £1,035,538 (2022: £517,247).

The financial assets measured at fair value are paintings and antique books.

15. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	31.12.23	31.12.22
			£	£
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

16. ULTIMATE PARENT COMPANY

Alma Grand SA (incorporated in Luxembourg) is regarded by the directors as being the company's ultimate parent company.

The smallest and largest group in which the results of the company are consolidated is that headed by Alma Grand SA. The consolidated financial statements of this group are available to the public and may be obtained from the registered office at 18 Rue de L'Eau, L-1449 Luxembourg..

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

17. CONTINGENT LIABILITIES

In February 2022, a former client, who filed a legal claim against the company in the London Circuit Commercial Court, initiated a stay in the proceedings of the claim and the court has adjourned the case until 30 September 2024.

The claim is made against investment advisory services provided by a former director of the company. These services were discontinued by the company in 2017 as they were not in line with the core business activities. The company is also a defendant in the proceedings in Italy arising out of the same set of facts.

Whilst the company continues to defend the claims vigorously both in England and in Italy, the directors are currently negotiating with the claimants to settle the claims outside of court.

In January 2023 the company made a formal claim to the insurance company to cover the legal expenses incurred. The directors are hopeful that the claim will be acknowledged and the expenses reimbursed by the insurance company.

The directors are not able to quantify any material losses that may arise in relation to the legal claims at the time these financial statements are approved, hence no provision is made in these accounts.

18. RELATED PARTY DISCLOSURES

During the year management, performance and execution fees of £2,459,438 (2022: £1,979,826) were receivable from a company in which a key management personnel who is also a director. The balance owed to the company at the year end is £772,578 (2022: £166,185).

During the year, compliance fees of £30,000 (2022: £27,500) were paid to a company in which a key management personnel is also a director. The balance owed by the company at the year end is £6,000 (2022: £3,000).

During the year, the parent company repaid a loan in the sum of £412,000 including interest. The balance owed to the company at the year end is £nil (2022: £405,000).

During the year, a total of key management personnel compensation of £560,500 (2022 - £312,654) was paid.

19. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr. Umberto Borghesi by virtue of his shareholding in Alma Grand S.A.

20. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.23	31.12.22
	£	£
Loss before taxation	(737,349)	(328,124)
Depreciation charges	(9,721)	2,125
Loss/(gain) on revaluation of fixed assets	106,452	(108,202)
Finance costs	-	25
Finance income	(7,000)	(5,000)
	(647,618)	(439,176)
(Increase)/decrease in trade and other debtors	(796,296)	2,148,698
Increase/(decrease) in trade and other creditors	515,942	(1,135,026)
Cash generated from operations	(927,972)	574,496

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

21. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st December 2023

	31.12.23	1.1.23
	£	£
Cash and cash equivalents	<u>174,532</u>	<u>690,504</u>

Year ended 31st December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>690,504</u>	<u>638,785</u>

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23	Cash flow	At 31.12.23
	£	£	£
Net cash			
Cash at bank	<u>690,504</u>	<u>(515,972)</u>	<u>174,532</u>
	<u>690,504</u>	<u>(515,972)</u>	<u>174,532</u>
Total	<u><u>690,504</u></u>	<u><u>(515,972)</u></u>	<u><u>174,532</u></u>

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2023

	31.12.23		31.12.22	
	£	£	£	£
Turnover				
Performance fees	663,009		41,835	
Advisory fees and consultancy fees	235,917		235,910	
Management fees	2,057,989		2,254,622	
Execution Fees	92,441		107,183	
Corporate Finance	-		43,532	
	<hr/>	3,049,356	<hr/>	2,683,082
Cost of sales				
Commission payable	589,032		688,864	
Consultancy fees	251,857		411,264	
Research Fees	42,930		32,691	
	<hr/>	883,819	<hr/>	1,132,819
GROSS PROFIT		2,165,537		1,550,263
Other income				
Interest receivable		7,000		5,000
		<hr/>		<hr/>
		2,172,537		1,555,263
Expenditure				
Rent and rates	193,311		181,449	
Insurance	49,129		41,429	
Light and heat	6,137		11,138	
Directors' salaries	560,500		312,654	
Wages and salaries	455,772		452,768	
Employers NI	132,862		133,382	
Pensions	110,275		109,505	
Telephone and Internet service	1,993		1,599	
Printing, postage & stationery	626		4,654	
Data subscription services	137,487		143,869	
Repairs and renewals	191		57	
Cleaning	3,382		3,776	
Staff Welfare	2,803		2,092	
Marketing	-		9,879	
General expenses	3,377		3,840	
Accountancy	7,830		5,650	
Legal and Professional Fees	946,977		374,764	
Regulatory and compliance cost	58,816		98,597	
Auditors' remuneration	10,086		11,850	
Foreign exchange losses/ (gains)	25,401		(18,792)	
Entertainment	8,218		10,673	
Travelling expenses	29,867		19,217	
Computer support and maintenance	66,480		73,961	
	<hr/>	2,811,520	<hr/>	1,988,011
Carried forward		(638,983)		(432,748)

This page does not form part of the statutory financial statements

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2023

	31.12.23		31.12.22	
	£	£	£	£
Brought forward		(638,983)		(432,748)
Finance costs				
Bank charges	1,635		1,428	
Interest on taxes	-		25	
	<u> </u>	<u>1,635</u>	<u> </u>	<u>1,453</u>
		(640,618)		(434,201)
Depreciation				
Short leasehold property	1,366		1,368	
Fixtures and fittings	(11,177)		10	
Computer equipment	90		747	
	<u> </u>	<u>(9,721)</u>	<u> </u>	<u>2,125</u>
		(630,897)		(436,326)
Gain/loss on revaluation of assets				
(Loss)/gain on revaluation of investments		(106,452)		108,202
		<u> </u>		<u> </u>
NET LOSS		<u><u>(737,349)</u></u>		<u><u>(328,124)</u></u>