

Company Registration No. 03173991 (England and Wales)

BLACKFRIARS ASSET MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

BLACKFRIARS ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Mr HA Simon Mr D McGilivray Mr A Hicks
Company number	03173991
Registered office	Landmark 4th Floor 78, Cannon Street London England EC4N 6HL
Auditor	Lindeyer Francis Ferguson Limited North House 198 High Street Tonbridge Kent TN9 1BE
Business address	Landmark 4th Floor 78, Cannon Street London England EC4N 6HL

BLACKFRIARS ASSET MANAGEMENT LIMITED

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BLACKFRIARS ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The Company's key financial and other performance indicators during the year were as follows:

	2021 £'000	2020 £'000	Change %
Turnover	5	7	-28%
Administrative expenses	(132)	(158)	-16%
Net assets	77	83	-7%
	£m	£m	%
Assets under investment advisory service	1.2	1.5	-20%

Turnover reduced by 28% during the year, mainly as a result of one off income in the prior year.

Assets under investment advisory services declined by 20% during the year, mainly driven by market effect.

Principal risks and uncertainties

The principal risks and uncertainties facing the company concern the ability of the company to execute its business strategy, which have been detailed in the Directors' Report on page 2 - 4.

Future developments

The company is looking to launch or advise a new fund for the acquisition of asset managers and wealth management companies in the UK.

On behalf of the board

Mr HA Simon
Director
26 April 2022

BLACKFRIARS ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of Blackfriars Asset Management Limited is investment advisory services.

The Company is authorised and regulated by the Financial Conduct Authority (FCA) pursuant to the Financial Services & Markets Act 2000. All of the Company's activities are regulated and conducted within the scope of permissions granted to the Company by the FCA and have been throughout the year.

The Company is a limited company domiciled in the UK.

Directors

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

Mr HA Simon
Mr D McGillivray
Mr A Hicks

Results and dividends

The loss for the year after tax amounted to £126,219 (2020: loss of £141,102).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Pillar 3 Disclosures

The European Union's Capital Requirements Directive ("CRD") introduced a regulatory framework for financial institutions based on three 'pillars'. Blackfriars Asset Management Limited is authorised and regulated by the FCA; and was categorised as a BIPRU Limited Licence €50K firm as at the year-end date; is not authorised to hold clients' monies; and submits regulatory returns to the FCA on an unconsolidated basis. The Company must therefore meet the requirements of all three regulatory pillars.

Pillar 1 specifies the minimum amount of capital which a regulated financial institution must hold. Under Pillar 1, the minimum capital resources which the Company is required to hold is the greater of: the base requirement of €50K, or the sum of its market and credit risk requirements, or its Fixed Overhead Requirement ("FOR"). The greatest of these three has been, and is expected to continue to be, the FOR; market risk and credit risk are relatively small for the Company. The FOR of the firm is currently £30K.

Under Pillar 2, the Board of Directors is required to determine whether any additional capital should be held to meet the specific risks of the Company. The Directors believe that operational risk associated with a trading error is not a major risk facing the Company. In recent years, the firm has devoted significant resources, in terms of both individuals and systems development, to the implementation of strong systems and controls to mitigate operational risk. The historic number of dealing errors is minimal. The loss of income in this worst-case scenario has been factored into the calculation of the wind down costs of the Company, and therefore no additional Pillar 2 capital is required. Based on this, the Directors and senior management of the Company have approved a total capital requirement of £50k based upon the transitional provisions as set out under MiFIDPRU, the firm's new Prudential regime from 1 January 2022. This has been reviewed and approved in February 2022.

BLACKFRIARS ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Pillar 3 requires public disclosures of certain information concerning the capital resources and risk management procedures of the firm. The Company has decided to publish its Pillar 3 disclosures within the annual financial statements and these disclosures are incorporated here.

Capital resources and surplus

As at 31 December 2021, the capital resources and surplus capital of the Company were as follows:

<i>Capital components</i>	<i>£'000</i>
	77
Total Tier 1 capital	
Total Pillar 1 and 2 capital requirement	50
Surplus capital over Pillar 1 and 2	27

Going concern risk

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 1.

The Directors have performed an annual going concern assessment, under various stress test scenarios. The Company has obtained a letter of support from The Hamon Investment Group Pte Limited, the parent company of Blackfriars Asset Management Limited for a period of at least twelve months after the date that the financial statements are signed.

Based on the assessment of the Company's financial position, liquidity and capital, the Directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern for a period of at least twelve months after the date that the financial statements are signed, or to conduct an orderly wind-down of the Company should that decision be taken. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Liquidity risk

Liquidity risk is the risk that a firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost. The Company has a minimal exposure to liquidity risk. The Company maintains a high degree of liquidity at all times, monitors its liquidity position regularly, and ensures that sufficient funds can be withdrawn from UK bank accounts to ensure that it can meet its liabilities as they fall due.

Market risk

The company has a minimal exposure to market risk. The Company does not trade on its own account or underwrite issues of financial instruments. Nor does it provide seed capital for product development purposes.

The Company has a market risk exposure to foreign exchange rate movements. This is due to the income of the Company being denominated in various currencies, of which the main are US dollars and euros, whereas the bulk of expenses are denominated in sterling. This risk is mitigated by managing the level of foreign currency held by converting excess currency to sterling.

Credit Risk

The Company has a minimal exposure to credit risk. The risk of non-payment of investment management fees is mitigated by the use of independent administrators for the funds under management. The Company's cash balances are deposited with highly rated regulated UK banks. The Company uses the standardised approach in calculating its credit risk and calculates its credit risk requirement on the following asset classes: cash, fees receivable and other debtors, and fixed assets.

BLACKFRIARS ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Compliance Risk

The Company has greater exposure to compliance risk, due to the company being authorised and regulated by the FCA and is also a registered investment adviser with the United States Securities and Exchange Commission and is therefore subject to a high level of regulation and legislation. The risk of non compliance is mitigated due to the comprehensive set of policies and procedures they have in place, including a Compliance Manual, which describes how the firm seeks to adhere to all of its regulatory obligations. These are reviewed on an annual basis and are updated as and when required following changes to regulation, business practice or industry best practice.

Remuneration code

As of 31 December 2021 the firm was a BIPRU Limited Licence €50K firm. Under the provisions of the FCA's Remuneration Code the Company is a Level 3 firm. The Company adopts a total reward and pay for performance remuneration philosophy which aims to support the business strategy, objectives and long-term interests. Any remuneration elements awarded in respect of bonus is discretionary based on individual and business unit performance together with other factors as determined from time to time in the context of the Company's operating plans and results.

The Company has designed its remuneration structures proportionate to the scale and complexity of the business and in a manner to promote effective risk management and to discourage risk taking in excess of the firm's stated risk tolerance. Due to the size and nature of the Company, remuneration policy is determined by the Board of Directors rather than by a separate Remuneration Committee and it is responsible for determining the level and structure of the firm's overall remuneration arrangements. The Board aims to secure and retain sufficiently skilled employees in order to deliver the best levels of client service.

The Company does not currently operate a Long-Term Incentive Plan that could incentivise staff for future performance. However, a discretionary bonus is payable dependent on Company performance and the contribution made by the individual concerned.

Aggregate remuneration for Remuneration Code Staff for the year ended 31 December 2021 was:

<u>Number of staff</u>	<u>Fixed remuneration</u>	<u>Discretionary remuneration</u>	<u>Total remuneration</u>
3	£78k	-	£78k

Auditor

The auditor, Lindeyer Francis Ferguson Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

BLACKFRIARS ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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 HA Simon
Director

26 April 2022

BLACKFRIARS ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLACKFRIARS ASSET MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Blackfriars Asset Management Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to note 1.2 of the financial statements, which describes the company's ability to continue as a going concern.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

BLACKFRIARS ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACKFRIARS 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 and the directors' report.

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

- adequate accounting records have not been kept, 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 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

- We obtained an understanding of the legal and regulatory framework applying to the company, and the procedures that management adopt to ensure compliance, including those relating to the Financial Conduct Authority;
- We assessed the susceptibility of the company's financial statements to material misstatement, including considering how fraud might occur;
- We obtained the Board of directors' assessment of fraud risk and enquired as to any known or suspected instances of fraud in the year; and,
- We designed and performed audit procedures to obtain sufficient and appropriate audit evidence regarding compliance with laws and regulations, including enquiry of the Board, review of correspondence, and review of the accuracy and completeness of disclosures made in the financial statements.

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

BLACKFRIARS ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACKFRIARS 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 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.

Jonathan Healey FCA (Senior Statutory Auditor)
For and on behalf of Lindeyer Francis Ferguson Limited

27 April 2022

Chartered Accountants
Statutory Auditor

North House
198 High Street
Tonbridge
Kent
TN9 1BE

BLACKFRIARS ASSET MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	4,924	6,703
Administrative expenses		(131,149)	(157,892)
Other operating income		-	10,000
Operating loss	4	(126,225)	(141,189)
Interest receivable and similar income	6	6	87
Loss before taxation		(126,219)	(141,102)
Tax on loss	7	-	-
Loss for the financial year		(126,219)	(141,102)

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

BLACKFRIARS ASSET MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8		197		3,775
Current assets					
Debtors	9	18,974		16,186	
Cash at bank and in hand		71,616		84,732	
		<u>90,590</u>		<u>100,918</u>	
Creditors: amounts falling due within one year	10	<u>(13,667)</u>		<u>(21,354)</u>	
Net current assets			76,923		79,564
Net assets			<u>77,120</u>		<u>83,339</u>
Capital and reserves					
Called up share capital	12	11,444,700		11,324,700	
Profit and loss reserves		<u>(11,367,580)</u>		<u>(11,241,361)</u>	
Total equity			<u>77,120</u>		<u>83,339</u>

The financial statements were approved by the board of directors and authorised for issue on 26 April 2022 and are signed on its behalf by:

Mr HA Simon
Director

Company Registration No. 03173991

BLACKFRIARS ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2020		11,224,700	(11,100,259)	124,441
Year ended 31 December 2020:				
Loss and total comprehensive income for the year		-	(141,102)	(141,102)
Issue of share capital	12	100,000	-	100,000
Balance at 31 December 2020		11,324,700	(11,241,361)	83,339
Year ended 31 December 2021:				
Loss and total comprehensive income for the year		-	(126,219)	(126,219)
Issue of share capital	12	120,000	-	120,000
Balance at 31 December 2021		11,444,700	(11,367,580)	77,120

BLACKFRIARS ASSET MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	15		(133,122)		(111,590)
Investing activities					
Interest received		6		87	
Net cash generated from investing activities			6		87
Financing activities					
Proceeds from issue of shares		120,000		100,000	
Net cash generated from financing activities			120,000		100,000
Net decrease in cash and cash equivalents			(13,116)		(11,503)
Cash and cash equivalents at beginning of year			84,732		96,235
Cash and cash equivalents at end of year			71,616		84,732

BLACKFRIARS ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Blackfriars Asset Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is Landmark 4th Floor, 78, Cannon Street, London, England, EC4N 6HL.

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 under the historical cost convention and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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 continue to adopt the going concern basis of accounting in preparing the financial statements.

The company has continued to receive support from its parent company, The Hammon Investment Group PTE. Further investment has been provided post year-end and as a result share capital has increased by £30,000.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Advisory fees are fees paid for the management of investment portfolios. These are recognised as services are provided and are calculated based on various formulae linked to the value of the portfolios.

Advisory fees are recognised on an accrual basis.

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:

Computers	3-5 Years
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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.

BLACKFRIARS ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Financial instruments

The company only has financial instruments which are classified as basic financial instruments.

Short-term debtors and creditors are measured at settlement value. Any losses from impairment are recognised in income and expenditure.

Creditors due after more than one year are measured initially at transaction price and subsequently at amortised cost, using the effective interest method.

1.7 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.

1.8 Retirement benefits

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

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.11 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.

BLACKFRIARS ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements 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.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by geographical market		
Asia	4,924	6,703

4 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange gain/(losses)	1,261	(967)
Coronavirus grants received	-	(10,000)
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	8,750
Depreciation of owned tangible fixed assets	3,578	6,564
Operating lease charges	1,689	13,845

5 Employees

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

	2021	2020
	Number	Number
Investment	1	1
Directors	3	3
Total	4	4

BLACKFRIARS ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	28,161	27,934
Social security costs	-	1,563
Pension costs	1,859	2,106
	<u>30,020</u>	<u>31,603</u>

6 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	6	87
	<u>6</u>	<u>87</u>

7 Taxation

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

	2021 £	2020 £
Loss before taxation	(126,219)	(141,102)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(23,982)	(26,809)
Unutilised tax losses carried forward	26,852	29,892
Permanent capital allowances in excess of depreciation	(3,550)	(4,330)
Depreciation on assets not qualifying for tax allowances	680	1,247
Taxation charge for the year	-	-

The company has estimated tax losses of £27,713,186 (2020: £27,571,858) available to carry forward against future trading profits.

BLACKFRIARS ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Tangible fixed assets

	Computers £
Cost	
At 1 January 2021 and 31 December 2021	33,852
Depreciation and impairment	
At 1 January 2021	30,077
Depreciation charged in the year	3,578
At 31 December 2021	33,655
Carrying amount	
At 31 December 2021	197
At 31 December 2020	3,775

9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	3,634	4,710
Prepayments and accrued income	15,340	11,476
	18,974	16,186

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,494	1,586
Taxation and social security	489	499
Accruals and deferred income	11,684	19,269
	13,667	21,354

11 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,859	2,106

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.

BLACKFRIARS ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
11,444,700 (2020: 11,324,700) Ordinary shares of £1 each	11,444,700	11,324,700

The company has one class of Ordinary shares which carry no right to fixed income.

During the course of the year, the company issued a further 120,000 £1 Ordinary shares at par (2020: 100,000 Ordinary shares) to its immediate parent company.

13 Related party transactions

During the year the company received an investment advisory fee of £4,924 (2020: £5,510) from the fellow subsidiary company.

The company also paid for consultancy services from an independent third party controlled by two of the directors totalling £50,000 (2020: £50,000).

14 Ultimate controlling party

The immediate parent company is The Hamon Investment Group Pte Limited, a company based in Hong Kong and incorporated in Singapore.

The ultimate parent company is Simon Associates Limited, incorporated in the British Virgin Islands.

The Hamon Investment Group Pte Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. Copies of these consolidated financial statements are held at 1001, 10th Floor, Standard Chartered Bank Building, Central, Hong Kong.

15 Cash absorbed by operations

	2021 £	2020 £
Loss for the year after tax	(126,219)	(141,102)
Adjustments for:		
Investment income	(6)	(87)
Depreciation and impairment of tangible fixed assets	3,578	6,564
Movements in working capital:		
(Increase)/decrease in debtors	(2,788)	20,078
(Decrease)/increase in creditors	(7,687)	2,957
Cash absorbed by operations	(133,122)	(111,590)

BLACKFRIARS ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Analysis of changes in net funds

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	84,732	(13,116)	71,616
	<u> </u>	<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.