

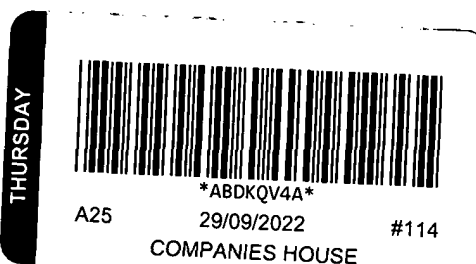
**Phoenix Asset Management  
Partners Limited**

Annual Report and Financial Statements

Year Ended

31 March 2022

Company Number 03514660



# Phoenix Asset Management Partners Limited

## Company Information

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<b>Directors</b>	Mr G Channon Mr S Tatters Mrs C Maby Mr A M Gerrie
<b>Company secretary</b>	Mrs S Wooler
<b>Registered number</b>	03514660
<b>Registered office</b>	64-66 Glenthams Road Barnes London SW13 9JJ
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Bankers</b>	C Hoare & Co 37 Fleet Street London EC4P 4DQ
<b>Solicitors</b>	Taylor Wessing LLP 5 New Street Square London EC4A 3TW

# Phoenix Asset Management Partners Limited

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# Phoenix Asset Management Partners Limited

## Strategic Report For the Year Ended 31 March 2022

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### Introduction

Phoenix Asset Management Partners Limited ("PAMP" or "the Company") is an investment management firm using a long-term, value-investing approach to manage concentrated portfolios based upon our own proprietary research.

### Business review

Assets under management at 31st March 2022 were £1,236m (2021: £1,217m). The rise in assets under management of £19m (2021: £491m) was due to a combination of net gains from positive investment performance and the launch of the Castelnau Group.

Phoenix UK Fund, an off-shore fund domiciled in Cayman, represented 35% (2021: 32%) of the assets under management at 31st March 2022, with pension funds, an endowment and a multi-manager pension scheme making up the rest. Performance of the Phoenix UK Fund can be found on the website and all accounts run a similar portfolio.

In addition to £7.9m (2021: £6.7m) annual management fee earned on the assets under management, £13.7m was earned in performance fees (2021: £1.9m).

The Company is authorised and regulated by the Financial Conduct Authority, and conducts its business in accordance with those regulations.

### Principal risks and uncertainties

The principal risks and uncertainties of PAMP are dependent on the chief investment officer, Gary Channon, continuing to manage the Fund and accounts. The performance of the Fund and accounts can be negative which reduces management fees and potentially eliminates any performance fees. Investors can redeem on fairly short notice, monthly and quarterly, which would result in reduced fee income.

The directors have considered the uncertainty surrounding Brexit and do not consider that any adjustments are required to the financial statements in respect of this. They will continue to monitor future developments in order to assess and minimise the impact on the Company's operations and finances.

The impact of COVID-19 on the Company is covered in the Directors' Report.

### Financial key performance indicators

The directors consider the level of assets under management and underlying fund performance to be the Company's primary key performance indicator.

### Streamlined energy and carbon reporting

Energy and carbon information is not disclosed because the Company is a low energy user as defined in the Environment Reporting Guidelines.

# Phoenix Asset Management Partners Limited

## Strategic Report (continued) For the Year Ended 31 March 2022

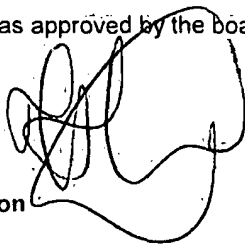
### Corporate governance reporting under Section 172 of the Companies Act 2006

Under Section 172 of the Companies Act 2006, the directors have a duty to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of other stakeholders in the Company, such as suppliers, and to do so with an understanding of the impact on the community and environment and with high standards of business conduct. The directors are aware of these responsibilities in the way it promotes the Company's culture and ensures, as part of its regular oversight that the integrity of the Company's affairs is foremost in the way the activities are managed and promoted.

The Company's main focus is on its clients. Over the short, medium and long term, clients look to the Company to preserve their capital and generate financial returns in their portfolios; to offer stability; to provide a consistent investment approach and to have values appropriate to the Company's fiduciary obligation.

If the Company is looking after its clients, then it follows that the Company is able to benefit its staff and shareholders. The Company's treats all stakeholders fairly and equally, so that they benefit from the delivery of the Company's plan. Its directors and employees continuously look for the best ways to generate value for their clients first and then themselves and the wider community through the highest standards of moral integrity, professionalism and business conduct. The board of directors meet regularly during the year to discuss various issues relating to corporate strategy and risk management at both a company and portfolio level.

This report was approved by the board and signed on its behalf.



Mr G Channon  
Director

Date:

5/7/22

# Phoenix Asset Management Partners Limited

## Directors' Report For the Year Ended 31 March 2022

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

### Results and dividends

The profit for the year, after taxation, amounted to £11,883,457 (2021: £3,700,062).

The dividends for the year were £11,840,424 (2021: £3,551,068).

### Directors

The directors who served during the year were:

Mr G Channon  
Mr S Tatters  
Mrs C Maby  
Mr A M Gerrie

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Going concern

The business activities of PAMP, together with the factors likely to affect its future development, performance and position are indicated below. The financial position, cash flows and liquidity position of PAMP are set out in the Statement of Financial Position and Statement of Cash Flows.

The directors have a reasonable expectation that PAMP has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the directors have considered the following: budgeted and projected results of the business, projected cash flow, stress testing of cash flows and the risks that could impact on the PAMP's liquidity and solvency over the next twelve months including the ongoing impact of the COVID-19 pandemic and war in Ukraine.

As PAMP's net assets position at 31 March 2022 were £5.3 million and cash reserves were above £10.6 million, the directors believe that PAMP has sufficient headroom to absorb the current risks and accordingly, the financial statements have been prepared on a going concern basis.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

### Auditor

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

# Phoenix Asset Management Partners Limited

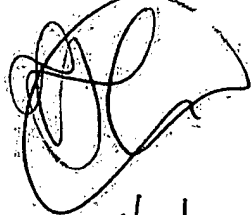
## Directors' Report (continued) For the Year Ended 31 March 2022

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This report was approved by the board and signed on its behalf.

**Mr G Channon**  
Director

Date:

  
5/7/22

# **Phoenix Asset Management Partners Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 March 2022**

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The directors are responsible for preparing the Strategic Report, the Directors' 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply 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.



# Phoenix Asset Management Partners Limited

## Independent Auditor's Report to the Members of Phoenix Asset Management Partners Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit 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.

We have audited the financial statements of Phoenix Asset Management Partners Limited ("the Company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remain 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.

### Conclusions relating to 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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

# **Phoenix Asset Management Partners Limited**

## **Independent Auditor's Report to the Members of Phoenix Asset Management Partners Limited (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report 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. 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.

### **Other Companies Act 2006 reporting**

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

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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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.

# Phoenix Asset Management Partners Limited

## Independent Auditor's Report to the Members of Phoenix Asset Management Partners Limited (continued)

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### 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.

#### *Extent to which the audit was capable of detecting 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:

- We obtained an understanding of the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error.
- Based on the understanding obtained we designed audit procedures to identify non-compliance with laws and regulations as noted above. This included enquires of local management, review of board minutes and reviews of relevant correspondence.
- We tested journal entries, focusing on journal entries containing characteristics of audit interest such as manual journals and journals relating to revenue.
- We tested and challenged the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Company.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

## Phoenix Asset Management Partners Limited

### Independent Auditor's Report to the Members of Phoenix Asset Management Partners Limited (continued)

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#### 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.

DocuSigned by:

*Simon Peter Fowles*

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**Simon Fowles** (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

United Kingdom

Date: 11 July 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Phoenix Asset Management Partners Limited

## Statement of Comprehensive Income For the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	21,629,234	8,577,807
<b>Gross profit</b>		<b>21,629,234</b>	<b>8,577,807</b>
Administrative expenses		(7,000,409)	(4,083,609)
<b>Operating profit</b>	5	<b>14,628,825</b>	<b>4,494,198</b>
Interest receivable and similar income	8	174	1,637
Interest payable and similar charges	9	(21,294)	-
<b>Profit before tax</b>		<b>14,607,705</b>	<b>4,495,835</b>
Tax on profit	10	(2,724,248)	(795,773)
<b>Profit for the financial year</b>		<b>11,883,457</b>	<b>3,700,062</b>

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 13 to 24 form part of these financial statements.

# Phoenix Asset Management Partners Limited

Registered number: 03514660

## Statement of Financial Position As at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	200,000	250,000
Tangible assets	13	161,346	30,275
		<u>361,346</u>	<u>280,275</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	3,473,172	2,591,503
Current asset investments	15	547,257	-
Cash at bank and in hand	16	10,561,630	4,842,636
		<u>14,582,059</u>	<u>7,434,139</u>
Creditors: amounts falling due within one year	17	(9,689,551)	(2,503,593)
<b>Net current assets</b>		<u>4,892,508</u>	<u>4,930,546</u>
<b>Net assets</b>		<u><u>5,253,854</u></u>	<u><u>5,210,821</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	106,002	106,002
Share premium account	20	594,000	594,000
Profit and loss account	20	4,553,852	4,510,819
		<u><u>5,253,854</u></u>	<u><u>5,210,821</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr G Channon  
Director

Date: 5/4/22

The notes on pages 13 to 24 form part of these financial statements.

# Phoenix Asset Management Partners Limited

## Statement of Changes in Equity For the Year Ended 31 March 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	<b>106,002</b>	<b>594,000</b>	<b>4,361,825</b>	<b>5,061,827</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	3,700,062	3,700,062
<b>Total comprehensive income for the year</b>			<b>3,700,062</b>	<b>3,700,062</b>
Dividends: Equity capital	-	-	(3,551,068)	(3,551,068)
<b>At 1 April 2021</b>	<b>106,002</b>	<b>594,000</b>	<b>4,510,819</b>	<b>5,210,821</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	11,883,457	11,883,457
<b>Total comprehensive income for the year</b>			<b>11,883,457</b>	<b>11,883,457</b>
Dividends: Equity capital	-	-	(11,840,424)	(11,840,424)
<b>At 31 March 2022</b>	<b>106,002</b>	<b>594,000</b>	<b>4,553,852</b>	<b>5,253,854</b>

The notes on pages 13 to 24 form part of these financial statements.

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

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### 1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company for the year ended 31 March 2022 and are presented to the nearest pound.

The continuing activities of Phoenix Asset Management Partners Limited is that of provision of fund management services.

The Company is a United Kingdom private company limited by shares and is incorporated in England. The address of its registered office and principle place of business is 64-66 Glenthams Road, Barnes, London, SW13 9JJ.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Going concern

The directors have a reasonable expectation that PAMP has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the directors have considered the following: budgeted and projected results of the business, projected cash flow, stress testing of cash flows and the risks that could impact on PAMP's liquidity and solvency over the next twelve months including the ongoing impact of the COVID-19 pandemic and war in Ukraine.

As the Company's net assets position at 31 March 2022 were £5.3 million and cash reserves were above £10.6 million, the directors believe that PAMP has sufficient headroom to absorb the current risks and accordingly, the financial statements have been prepared on a going concern basis.

#### 2.3 Turnover

Turnover from management fees is earned and recognised on an accruals basis by spreading the income over the year to which it relates. Performance fees are recognised on the date that they crystallise.

#### 2.4 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life, which is considered by management to be 10 years.



# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 2. Summary of significant accounting policies (continued)

#### 2.5 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- Over life of the lease
Plant and machinery	- 33% per annum
Motor vehicles	- 25% per annum
Fixtures and fittings	- 33% per annum
Cycle scheme	- 50% per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the Statement of Comprehensive Income.

#### 2.6 Current asset investments

Current asset investments represent securities held for resale and are stated at fair value with any revaluation taken to the statement of comprehensive income.

#### 2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

#### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

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### 2. Summary of significant accounting policies (continued)

#### 2.10 Financial instruments

Financial instruments are recognised on the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

#### 2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

#### 2.13 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution 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 payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

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### 2. Summary of significant accounting policies (continued)

#### 2.16 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.17 Disclosure exemptions

The Company has taken advantage of the exemption from preparing a Statement of Cash Flows on the basis that this information has been included in the consolidated financial statements of Channon Holdings Limited at 31 March 2022.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the Company's transaction streams and year end financial position, the directors consider, other than those covered in note 2.4 and 2.5, there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

### 4. Turnover

Turnover is split between that received from within the UK £15,048,355 (2021: £3,269,572) and that received from outside the UK £6,580,879 (2021: £5,308,235).

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	74,074	19,963
Amortisation of intangible fixed assets, including goodwill	50,000	50,000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,000	16,000
Fees payable to the Company's auditor and its associates for other services to the Company:		
- Taxation compliance services	6,500	3,500
- Other services		2,000
Other operating lease rentals	140,200	115,000

### 6. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	5,097,601	2,148,536
Social security costs	334,080	526,263
Cost of defined contribution scheme	67,727	10,470
	5,499,408	2,685,269

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Administrative/compliance	8	8
Fund management	9	9
	17	17

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	1,506,904	1,073,229
Company contributions to defined contribution pension schemes	10,020	15,415
	<u>1,516,924</u>	<u>1,088,644</u>

During the year retirement benefits were accruing to 2 directors (2021: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £662,321 (2021: £319,600).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,010 (2021: £5,485).

### 8. Interest receivable and similar income

	2022 £	2021 £
Other interest receivable	<u>174</u>	<u>1,637</u>

### 9. Interest payable and similar charges

	2022 £	2021 £
Finance leases and hire purchase contracts	<u>21,294</u>	<u>-</u>

### 10. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	2,804,224	875,881
Adjustments in respect of previous periods	(79,976)	(80,108)
<b>Total current tax</b>	<u>2,724,248</u>	<u>795,773</u>

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	14,607,705	4,495,835
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	2,775,463	854,209
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	18,386	14,207
Depreciation for year in excess of Capital allowances	3,794	9,500
Adjustments to tax charge in respect of prior periods	(79,976)	(80,108)
Deferred tax not recognised	12,893	(2,035)
Movement in deferred tax not recognised	(6,312)	-
Total tax charge for the year	2,724,248	795,773

### 11. Dividends

	2022 £	2021 £
Dividends declared on equity capital	11,840,424	3,551,068

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 12. Intangible assets

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2021	500,000
At 31 March 2022	<u>500,000</u>
<b>Amortisation</b>	
At 1 April 2021	250,000
Charge for the year on owned assets	50,000
At 31 March 2022	<u>300,000</u>
<b>Net book value</b>	
At 31 March 2022	<u><u>200,000</u></u>
At 31 March 2021	<u><u>250,000</u></u>

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 13. Tangible fixed assets

	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Cycle Scheme £	Total £
<b>Cost or valuation</b>						
At 1 April 2021	33,310	230,585	112,718	86,557	10,600	473,770
Additions	-	14,341	157,667	4,785	2,074	178,867
Disposals	(33,310)	-	-	-	-	(33,310)
At 31 March 2022	-	244,926	270,385	91,342	12,674	619,327
<b>Depreciation</b>						
At 1 April 2021	33,310	204,165	112,718	86,122	7,180	443,495
Charge for the year	-	15,362	26,278	2,175	3,981	47,796
Disposals	(33,310)	-	-	-	-	(33,310)
At 31 March 2022	-	219,527	138,996	88,297	11,161	457,981
<b>Net book value</b>						
At 31 March 2022	-	25,399	131,389	3,045	1,513	161,346
At 31 March 2021	-	26,420	-	435	3,420	30,275

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Motor Vehicles	131,389	-
	<u>131,389</u>	<u>-</u>



# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 14. Debtors

	2022 £	2021 £
Trade debtors	1,052,216	1,718,656
Other debtors	2,084,041	520,600
Prepayments and accrued income	336,915	352,247
	<u>3,473,172</u>	<u>2,591,503</u>

Included within 'prepayments and accrued income' is a balance of £279,164 (2021: £279,164) falling due after more than one year.

### 15. Current asset investments

	2022 £	2021 £
Unlisted investments	<u>547,257</u>	<u>-</u>

### 16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>10,561,630</u>	<u>4,842,636</u>

### 17. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	35,305	150,326
Dividends payable	4,632,288	1,219,024
Corporation tax	1,216,021	-
Other taxation and social security	33,245	67,393
Obligations under finance lease and hire purchase contracts	135,334	-
Accruals and deferred income	3,637,358	1,066,850
	<u>9,689,551</u>	<u>2,503,593</u>

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 18. Financial instruments

	2022 £	2021 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>13,697,887</u>	<u>7,009,665</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(8,440,285)</u>	<u>(2,436,200)</u>

Financial assets are measured at amortised cost comprise cash and debtors excluding prepayments.

Financial liabilities measured at amortised cost comprise trade creditors, dividends payable and accruals.

### 19. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
106,002 (2021: 106,002) Ordinary shares of £1.00 each	<u>106,002</u>	<u>106,002</u>

### 20. Reserves

The Company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit & loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# Phoenix Asset Management Partners Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 21. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	90,000	90,000
Later than 1 year and not later than 5 years	172,000	262,000
	<u>262,000</u>	<u>352,000</u>

### 22. Related party transactions

Mr G Channon is a director and majority shareholder in Channon & Co Limited. During the year, Channon & Co Ltd recharged office administration and rental expenses amounting to £227,424 (2021: £61,403). At the year end the Company owed £Nil (2021: £5,200).

Mr S Tatters is the director of Phoenix UK Fund ('the fund'). Management and performance fees earned during the year were £3,931,974 (2021: £3,060,427) and £8,591,692 (2021: £484,327) respectively. The amount due from the fund at the year end was £295,215 (2021: £459,513).

Mr A Gerrie, a director of the Company, is also a director of Silver Americum Limited. During the year the Company was charged £50,083 (2021: £27,000) for consultancy services.

### 23. Controlling party

In the directors' opinion the parent company at the year end is Channon Holdings Limited, a company incorporated in the UK and which owns 92,330 £1 Ordinary shares. A copy of the group financial statements may be obtained from Channon Holdings Limited at Midland Buildings, 19a Briggate, Shipley West Yorkshire, BD17 7BP.

The ultimate controlling party of Channon Holdings Limited is Gary Channon.

### 24. Pillar 3 and remuneration code disclosures

The Company's Pillar 3 and Remuneration Code disclosures can be found on the Company's website: [www.phoenixassetmanagement.com](http://www.phoenixassetmanagement.com)