

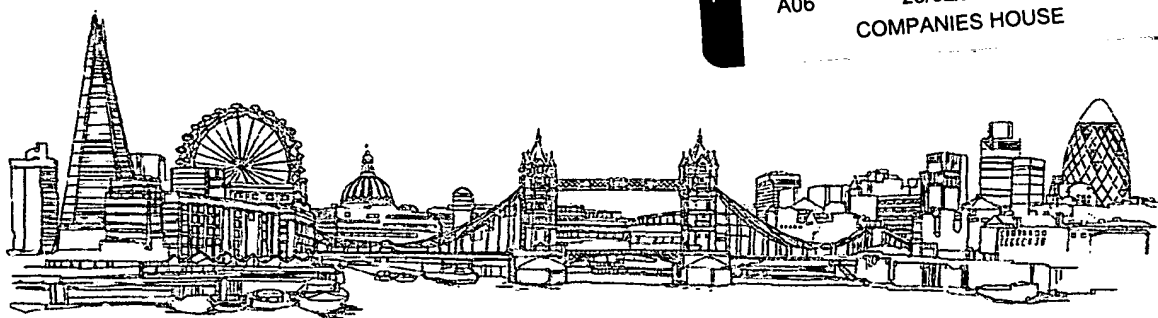


**King & Shaxson Asset Management Limited**

**Reports and financial statements**

**For the year ended 30 June 2022**

Registered number 03870667



## **KING & SHAXSON ASSET MANAGEMENT LIMITED**

### **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2022**

The directors present their report and audited financial statements for King & Shaxson Asset Management Limited ("the Company") for the year ended 30 June 2022, in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The Company is a private company limited by shares, incorporated in the United Kingdom.

#### **BUSINESS REVIEW, PERFORMANCE & DEVELOPMENT**

The Company has offered a distinct ESG and Impact focused portfolio management service through bespoke mandates since 2002, and model portfolios since 2010. The investment team, under the leadership of Wayne Bishop since inception, has a genuine passion for investing for good, aligning their own investments with those of their clients. The Company provides a bespoke investment portfolio services for both individual and institutional clients, usually in conjunction with professional advisers. Model portfolios are available on a number of platforms in seven risk categories. The custody and settlement services for the bespoke business are provided to the client directly by Pershing Securities Limited. The Company is regulated by the Financial Conduct Authority ("FCA").

The Board have continued to invest in the business with a view to enhancing the Company offering and increasing assets under management. During the year, assets under management grew 29%, from £196m to £252m.

The Company utilises a number of detailed fund performance reports and a limited number of key performance indicators to manage the business. The Board monitors fund performance for each of the relevant client risk profiles against specific and stated benchmarks.

The Company also acts as the settlement agent for the Dowgate Multilateral Trading Facility (MTF), where clients choose to trade on an undisclosed basis. The MTF resides in two sister companies, King & Shaxson Limited, and King & Shaxson Capital Markets S.V., S.A. There is no profit or loss associated in acting as agent in this regard.

#### **PRINCIPAL RISKS**

The Company is of a size which enables the management team to be closely involved in the day to day running of the business thus mitigating risk through knowledge and experience as well as ensuring strong controls are in place and operating effectively. Operational and systems risk, liquidity risk and group risk and are considered the key risks to the business.

##### *Operational risk*

Operational and systems risk is the risk of loss arising from inadequate or failed internal processes, people or information technology and system control. This risk is managed by the Risk & Governance Committee through close management oversight, and consideration of 'what can go wrong'. All near misses are subject to hot review by this Committee. The Company has a clear enterprise risk management policy, and a risk manager who updates the Risk & Governance Committee on risk matters as frequently as necessary, and reviews key risk matters on a monthly basis. The Company's IT systems are evaluated, maintained and upgraded continuously and the Company has recovery programmes and back-up systems in place should the systems fail in any respect. The Company has more than one supplier in place for data, market information, internet access and liquidity provisions. A comprehensive business continuity plan, and recovery plan is in place and is tested to ensure it remains up to date. Outsource providers are reviewed regularly as part of the Compliance Monitoring Programme.

##### *Liquidity risk*

The Company's financial instruments comprise UK Treasury bills, cash, trade debtors and trade creditors. The Company manages its exposure to liquidity and cash flow risk through close management supervision of cash balances, ensuring that the Company has sufficient cash resources at any time to meet immediate cash needs and that bank facilities are available should they be required.

**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**PRINCIPAL RISKS (CONTINUED)**

*Group risk*

Group risk is defined as the risk of any group company causing a substantial failure in the ability of the Company to meet its regulatory and legal requirements. These risks are managed through effective corporate governance structures and ongoing dialogue.

*Market risk*

Market risk is the risk that changes in market conditions may adversely impact the value of assets or liabilities which may negatively impact the Company's earnings. Market risk can affect the performance of funds under management and can lead to client redemptions. This in turn can lead to changes in the management fee revenue earned by the Company. The Company does not hold proprietary positions overnight, other than a liquidity buffer in UK treasury bills.

*Credit risk*

This is defined as the risk of potential losses resulting from defaults from a client or borrower. The Company does not take overnight positions in securities; all trades which pass through the Company in respect of the MTFs are matched and settled through recognised security settlement systems such as CREST and Euroclear, and all sales and purchases are in government debt or highly rated large corporate paper. Should one side of a trade fail, the exposure transfers to King & Shaxson Limited, a sister company or to King & Shaxson Capital Markets S.V., S.A. The King & Shaxson Group has a sophisticated limit system which takes into account both the credit limit of the client and also of the underlying security. The Company also has a credit committee which manages credit risk within parameters set by the Board.

*Other key risks*

Other risks include Compliance and Regulatory risk. This is the risk of financial loss associated with non-compliance with laws and regulation. The Company is authorised and regulated by the FCA. Any changes in the regulatory framework and directives relating to the Company's activities could expose the Company to financial and reputational risk. The Compliance function and the use of external compliance and regulatory advisers help to mitigate this risk. Reputational risk is the risk of reputational damage arising from negative publicity relating to the Company's operations that may result in a reduction its client activity and revenue, or in legal claims made against the Company. Business risk is the exposure a company or organisation has to factor that will lower its profits or lead it to fail. Anything that threatens a company's ability to achieve its financial goals is considered a business risk. There are many factors that can converge to create business risk. Business risk is mitigated by carrying out risk assessments in relation to new business ventures or changes to existing processes and through our risk management strategy.

*Risk management*

Responsibility for the overall framework of risk, governance and management lies with the Board. The Board is responsible for determining risk strategy, setting the Group's risk appetite and ensuring that risk is monitored and controlled effectively. The Board operates through an independent committee called the Risk Committee, which contains a majority of independent non-executive directors. This Committee is responsible for establishing a clearly defined risk management structure with distinct roles and responsibilities. Within that structure, business managers are accountable for all the risks assumed within their areas of responsibility and for the execution of appropriate risk management discipline within the framework of policy and delegated authority set out by the Board. The principle of individual accountability and responsibility within a disciplined approach to risk management is an important feature of the K&S Group culture. There are independent reporting lines for the key compliance and finance functions. Risk appetite is the amount and type of risk that the Group regards as appropriate for it to accept in order to fulfill its business objectives. The Risk Committee regularly reviews and sets this objective.

**KING & SHAXSON ASSET MANAGEMENT LIMITED  
STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**RESULTS AND DIVIDENDS**

The Company made a profit of £39,579 in the year to 30 June 2022 (2021: a loss of £120,163). The directors do not recommend the payment of a dividend (2021: £nil).

By order of the Board



**Wayne Bishop**  
*Chief Executive*

20 October 2022

**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022**

**DIRECTORS**

The directors who held office during the year were as follows:

W J Bishop		
M V Carey		
J J Inkster		
J D Stunell	<u>Non executive</u>	Appointed 11 May 2022
M L Telfer		Resigned 31 August 2022
D I R Wileman	<u>Non executive</u>	

**DISCLOSURE OF INFORMATION TO AUDITOR**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and establish that the Company's auditor is aware of that information.

By order of the Board

*Martin Carey*

**Martin Carey**

*Director*

20 October 2022

**Registered number :** 03870667

**Registered office :** Cutlers Court  
115 Houndsditch London  
EC3A 7BR

## KING & SHAXSON ASSET MANAGEMENT LIMITED DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report and 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**Wayne Bishop**

*Chief Executive*

20 October 2022

**Registered number :** 03870667

**Registered office :** Cutlers Court  
115 Houndsditch London  
EC3A 7BR

**KING & SHAXSON ASSET MANAGEMENT LIMITED****INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2022****Opinion**

We have audited the financial statements of King & Shaxson Asset Management Limited (the 'company') for the year ended 30 June 2022, which comprise the profit and loss account, the statement of financial position, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 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.

**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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**KING & SHAXSON ASSET MANAGEMENT LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF KING & SHAXSON ASSET  
MANAGEMENT LIMITED****Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report,<sup>1</sup> 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.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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.

**Matter on which we are required to report under the Companies Act 2006**

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.

**Matters on which we are required to report by exception**

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 for the financial statements**

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.

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<sup>1</sup> The term used to describe the annual report should be the same as that used by the directors.



**KING & SHAXSON ASSET MANAGEMENT LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF KING & SHAXSON ASSET  
MANAGEMENT LIMITED****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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 frameworks applicable to the company and industry in which it operates. We determined that the following laws and regulations were most significant:
  - The Companies Act 2006;
  - Financial Services and Markets Act 2000 (FSMA); and
  - the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102");
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries of members and those responsible for legal and compliance procedures as to whether they had knowledge of any actual, suspected or alleged fraud. We corroborated the results of our inquiries through our review of Board minutes.
- In assessing the potential risks of material misstatement, we obtained an understanding of
  - the company's operations, including the sources of income and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
  - the company's control environment to mitigate risks of fraud or non-compliance with the relevant laws and regulations.
- In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the client operates.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included checking completeness of journal entries and identifying and testing journal entries, in particular manual journal entries processed for financial statements preparation. We also reviewed the financial statements disclosures and the corresponding supporting documentation and obtained third party confirmations where relevant.

**KING & SHAXSON ASSET MANAGEMENT LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF KING & SHAXSON ASSET  
MANAGEMENT LIMITED**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- As the company is FCA regulated, our assessment of risks of material misstatement also involved an understanding of the control environment, including the entity's procedures for complying with regulatory requirements. Our communication of identified laws and regulations risks was made throughout our team and we remained alert to any indications of non-compliance throughout the audit.

We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

- **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.

*Grant Thornton UK LLP*

Paul Flatley  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
**20 October 2022**

**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

	<i>Note</i>	<b>2022</b> £	<b>2021</b> £
<b>Turnover</b>		<b>1,219,665</b>	<b>920,154</b>
Cost of sales		<b>(215,635)</b>	<b>(167,442)</b>
<b>GROSS PROFIT</b>		<b>1,004,030</b>	<b>752,712</b>
Administration costs	3	<b>(964,451)</b>	<b>(872,875)</b>
<b>Operating profit / (loss)</b>		<b>39,579</b>	<b>(120,163)</b>
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>39,579</b>	<b>(120,163)</b>
Tax on profit / (loss) on ordinary activities	5	-	-
<b>PROFIT / (LOSS) FOR THE FINANCIAL YEAR</b>		<b>39,579</b>	<b>(120,163)</b>

All of the profit for the financial year is attributable to the owners of the parent. The Company has no recognised gains or losses other than those included above. All items relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The notes to these accounts on pages 14 to 19 form part of these financial statements.



**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

	<i>Note</i>	<b>2022</b> £	<b>2021</b> £
<b>CURRENT ASSETS</b>			
Debtors	6	184,583,730	246,209,590
Investments	2	248,425	249,987
Cash at bank and in hand		1,415,126	953,773
		<u>186,247,281</u>	<u>247,413,350</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>(184,910,790)</u>	<u>(246,116,438)</u>
<b>Net current assets</b>		<b>1,336,491</b>	<b>1,296,912</b>
<b>NET ASSETS</b>		<u><b>1,336,491</b></u>	<u><b>1,296,912</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	3,000,000	3,000,000
Profit and loss account		(1,663,509)	(1,703,088)
<b>TOTAL EQUITY SHAREHOLDER'S FUNDS</b>		<u><b>1,336,491</b></u>	<u><b>1,296,912</b></u>

These financial statements were approved by the board of directors on 20 October 2022 and were signed on its behalf by:



**Wayne Bishop**  
*Chief Executive*

**Registered number: 03870667**

The notes on pages 14 to 19 form part of these financial statements

**KING & SHAXSON ASSET MANAGEMENT LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital £	Profit & loss account £	Total £
<b>AT 1 JULY 2020</b>	<b>3,000,000</b>	<b>(1,582,925)</b>	<b>1,417,075</b>
Loss for the year	-	(120,163)	(120,163)
<b>AT 1 JULY 2021</b>	<b>3,000,000</b>	<b>(1,703,088)</b>	<b>1,296,912</b>
Profit for the year	-	39,579	39,579
<b>AT 30 JUNE 2022</b>	<b>3,000,000</b>	<b>(1,663,509)</b>	<b>1,336,491</b>

The notes on pages 14 to 19 form part of these financial statements.

**KING & SHAXSON ASSET MANAGEMENT LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

**Going concern**

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**2. Principal accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements except as noted below.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are dealt with in arriving at the operating profit and loss for the year.

**Taxation**

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes that have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

**Provision for bad and doubtful debts**

Provision is made against debtors to the extent that they are adjudged to be non-recoverable.

**Investments**

Current asset investments comprise UK treasury bills and are stated at market value.

**Cash**

Cash comprises cash in hand and deposits repayable on demand.

**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. Principal accounting policies (continued)**

**Client money**

Money held by the Company on behalf of clients, in accordance with the Client Money Rules of the Financial Conduct Authority, and the corresponding liabilities are not shown on the face of the balance sheet as the Company does not obtain economic benefit from the monies.

**Cash flow statement**

As permitted by FRS 102, the Company is not required to produce a cash flow statement as, for the year to 30 June 2022, it was a wholly owned subsidiary of King & Shaxson Holdings Ltd and the consolidated financial statements of that company includes its cash flows.

**Segmental reporting**

In the opinion of the directors the profits and losses of the Company are derived substantially from UK operations, the assets and liabilities of the Company reside substantially within the UK and the business of the Company is substantially that of asset management.

**3. Operating profit**

Operating profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the auditor for the audit of the annual financial statement	11,000	10,000
Management charge paid to fellow group company	955,230	808,179

Fees of £11,000 were payable to the auditor for the audit of the annual financial statements. This cost was paid for by King & Shaxson Limited a fellow group company and recharged through the management charge.

**4. Staff costs and Directors' emoluments**

The Company does not have any direct employees. The directors are remunerated for their services to the Company by a fellow group company. The charge is made as part of the Management charge (note 3).

Emoluments of the directors of the Company for the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Total emoluments	<u>157,989</u>	<u>97,500</u>

Two directors (2021: No directors) are members of the Company defined contribution pension scheme. Amounts paid in to that pension scheme on behalf of the two directors were £1,524 (2021: £nil).

Contributions to personal pension schemes of one of the other director totalled £6,913 (2021: one director totalling £4,875).

**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**4. Staff costs and Directors' emoluments (continued)**

Emoluments of the highest paid director of the Company for the year were as follows:

	2022 £	2021 £
Aggregate emoluments	104,190	97,500
Contributions to pension schemes	<u>5,889</u>	<u>4,875</u>

**5. Tax on loss on ordinary activities**

The tax charge is based on the loss for the year and represents:

	2022 £	2021 £
UK Corporation tax	-	-
Adjustments in respect of previous periods	<u>-</u>	<u>-</u>
Total current tax	-	-
Deferred taxation: origination and reversal of timing differences	<u>-</u>	<u>-</u>
Deferred taxation: changes in tax rate	<u>-</u>	<u>-</u>
Tax on results on ordinary activities	<u>-</u>	<u>-</u>

The tax assessed for the year is 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	<u>39,579</u>	<u>(120,163)</u>
Tax credit at UK corporation tax rate of 19% (2021: 19%)	7,520	(22,831)
<i>Effects of:</i>		
Group relief	(7,520)	(4,260)
Deferred tax asset not recognised	-	27,091
Tax on results on ordinary activities	<u>-</u>	<u>-</u>

A deferred tax asset of £925,154 (2021: £925,154) arising on carried forward losses has not been recognised as the directors consider there to be insufficient evidence that the asset will be recoverable against taxable profits in future periods.



**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**6. Debtors**

	2022 £	2021 £
Amounts due from clients and brokers	184,336,885	245,986,845
Other debtors	246,845	222,745
Due from group companies	-	-
	<u>184,583,730</u>	<u>246,209,590</u>

Amounts due from clients and brokers comprise settlement balances representing the purchase and sale of securities where settlement takes place on a delivery versus payment basis. These are trades arranged through the UK Group's multilateral trading facilities where clients have opted to trade on an undisclosed basis. Such trades are executed through the Company at no profit or loss.

**7. Creditors: amounts falling due within one year**

	2022 £	2021 £
Amounts due to clients and brokers <i>(refer to note 6)</i>	184,336,885	245,986,845
Other creditors	136,784	90,368
Due from group companies	437,121	39,225
	<u>184,910,790</u>	<u>246,116,438</u>

**8. Called up share capital**

	2022 £	2021 £
<b>Authorised</b>		
Ordinary shares of £1 each	10,000,000	10,000,000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**9. Financial assets and liabilities**

	2022	2021
	£	£
Cash and cash equivalents, trade and other debtors at amortised cost	<b>186,247,281</b>	247,413,350
Financial liabilities at amortised cost	<u><b>184,910,790</b></u>	<u>246,116,438</u>

**10. Financial risk management**

The Company recognises its exposure to a number of different financial risks and as a result the directors have agreed formal policies for the review and management of these risks which are summarised as follows:

*Credit risk*

This is defined as the risk of potential losses resulting from defaults from a client or borrower. The Company does not take overnight positions in securities; all trades are matched and settled through recognised security settlement systems such as CREST and Euroclear. Should one side of a trade fail, the sister company, King & Shaxson Limited or King & Shaxson Capital Markets S.V., S.A. will settle any outstanding balances with the Company.

Credit risk also arises from deposits with banks and financial institutions. For such institutions, management has internally assessed each institution as financially healthy and stable and continually monitors them to ensure they remain so.

*Liquidity risk*

The Company's financial instruments comprise of cash, trade debtors and trade creditors. The Company manages its exposure to liquidity and cash flow risk through close management supervision of cash balances, ensuring that the Company has sufficient cash resources at any time to meet immediate cash needs and that bank facilities are available should they be required. The liabilities of the Company are primarily customer liabilities due to settle within a number of days after the reporting date. Refer to note 6.

*Market risk*

Market risk is the risk that changes in market conditions may adversely impact the value of assets or liabilities which may negatively impact the Company's earnings. Market risk can affect the performance of funds under management and can lead to client redemptions. This in turn can lead to changes in the management fee revenue earned by the Company. The Company does not hold proprietary positions, other than a liquidity buffer in UK treasury bills.

**KING & SHAXSON ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**11. Capital management**

King & Shaxson Asset Management Limited is regulated by the FCA and is required to hold adequate capital as prescribed by the FCA handbook. In compliance with these regulations the directors regularly monitor capital levels to ensure that they remain adequate.

At 30 June 2022, King & Shaxson Asset Management Limited had the following tier 1 capital:

	2022	2021
	£	£
Share capital	3,000,000	3,000,000
Reserves	<u>(1,663,509)</u>	<u>(1,703,088)</u>
Tier 1 capital	<u>1,336,491</u>	<u>1,296,912</u>

**12. Ultimate parent company and related party transactions**

The ultimate parent company is Phillip Brokerage (Pte) Ltd, a company incorporated in Singapore. Copies of the Phillip Brokerage Pte Ltd financial statements can be obtained from The Secretary, First Floor Cutlers Court, 115 Houndsditch, London EC3A 7BR.

The largest and smallest group in which the results of the Company are consolidated, is that of King & Shaxson Holdings Ltd, which is the parent company. The consolidated accounts can be obtained from The Secretary, First Floor Cutlers Court, 115 Houndsditch, London EC3A 7BR. Phillip UK Holdings Limited is incorporated in England.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and its subsidiary undertaking are included by full consolidation in the consolidated accounts of King & Shaxson Holdings Ltd.

Advantage is taken in these financial statements of the exemptions available in FRS 102 Section 33 for disclosure of transactions with related parties that are wholly owned within the same group.