



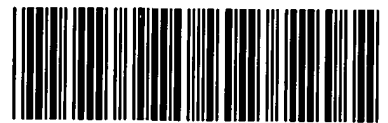
King & Shaxson Asset Management Limited

Reports and financial statements

For the year ended 30 June 2023

Registered number: 03870667

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KING & SHAXSON ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	W J Bishop M V Carey J J Inkster J D Stunell (non-executive) D I R Wileman (non-executive) M L Telfer (resigned 1 November 2022)
Company secretaries	K Vakil (appointed 1 November 2022) M L Telfer (resigned 1 November 2022)
Registered number	03870667
Registered office	155 Fenchurch Street London EC3M 6AL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

KING & SHAXSON ASSET MANAGEMENT LIMITED

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KING & SHAXSON ASSET MANAGEMENT LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report and audited financial statements for King & Shaxson Asset Management Limited ("the company") for the year ended 30 June 2023, 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 8%, from £252m to £272m.

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 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.

KING & SHAXSON ASSET MANAGEMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

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.

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 (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

By order of the Board



Wayne Bishop
Chief Executive
19 October 2023

KING & SHAXSON ASSET MANAGEMENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report and the financial statements for the year ended 30 June 2023.

Results and dividends

The company made a loss of £215,897 in the year to 30 June 2023 (2022: profit £39,579).

The directors do not recommend the payment of a dividend (2022: £Nil).

Directors

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

W J Bishop
M V Carey
J J Inkster
J D Stunell (non-executive)
D I R Wileman (non-executive)
M L Telfer (resigned 1 November 2022)

Disclosure of information to auditor

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.

Auditor

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

By order of the Board

Martin Carey

Martin Carey
Director
19 October 2023

Registered number:
Registered office:

03870667
1st Floor
155 Frenchchurch Street
London EC3M 6AL

KING & SHAXSON ASSET MANAGEMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

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, 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 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.

By order of the Board


Martin Carey
Director
19 October 2023

Registered number:
Registered office:

03870667
1st Floor
155 Frenchchurch Street
London EC3M 6AL



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

Opinion

We have audited the financial statements of King & Shaxson Asset Management Limited (the 'company') for the year ended 30 June 2023, which comprise the Income Statement, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the '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 rising inflation, global supply chain risks and the impact of the Russian invasion of Ukraine, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING & SHAXSON ASSET MANAGEMENT LIMITED (CONTINUED)

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.

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 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING & SHAXSON ASSET MANAGEMENT LIMITED (CONTINUED)

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

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING & SHAXSON ASSET MANAGEMENT LIMITED (CONTINUED)

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. 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. 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING & SHAXSON ASSET MANAGEMENT LIMITED (CONTINUED)

- 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.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as 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

19 October 2023

KING & SHAXSON ASSET MANAGEMENT LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Revenue	3	1,187,984	1,219,665
Cost of sales		(217,846)	(215,635)
Gross profit		970,138	1,004,030
Administrative costs		(1,225,850)	(964,451)
Operating (loss)/profit	4	(255,712)	39,579
Interest receivable and similar income		39,822	-
Interest payable and similar expenses		(7)	-
(Loss)/profit on ordinary activities before taxation		(215,897)	39,579
Tax on (loss)/profit on ordinary activities	8	-	-
(Loss)/profit for the financial year		(215,897)	39,579

All of the profit or loss 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 or loss on ordinary activities before taxation and the retained profit or loss for the year stated above, and their historical cost equivalents.

The notes on pages 14 to 23 form part of these financial statements.

KING & SHAXSON ASSET MANAGEMENT LIMITED
REGISTERED NUMBER:03870667

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Current assets			
Debtors: amounts falling due within one year	9	166,529,097	184,583,730
Investments	10	244,571	248,425
Cash at bank and in hand	11	1,523,990	1,415,126
		<u>168,297,658</u>	<u>186,247,281</u>
Creditors			
Creditors: amounts falling due within one year	12	(167,177,064)	(184,910,790)
Net current assets		<u>1,120,594</u>	<u>1,336,491</u>
Net assets		<u><u>1,120,594</u></u>	<u><u>1,336,491</u></u>
Capital and reserves			
Called up share capital	16	3,000,000	3,000,000
Profit and loss account		(1,879,406)	(1,663,509)
Total equity shareholder's funds		<u><u>1,120,594</u></u>	<u><u>1,336,491</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 October 2023.



Wayne Bishop
Chief Executive

The notes on pages 14 to 23 form part of these financial statements.

KING & SHAXSON ASSET MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2021	3,000,000	(1,703,088)	1,296,912
Profit for the year	-	39,579	39,579
At 1 July 2022	3,000,000	(1,663,509)	1,336,491
Loss for the year	-	(215,897)	(215,897)
At 30 June 2023	3,000,000	(1,879,406)	1,120,594

The notes on pages 14 to 23 form part of these financial statements.

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. General information

King & Shaxson Asset Management Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 155 Fenchurch Street, London, England, EC3M 6AL.

The principal activity of King & Shaxson Asset Management Limited is financial intermediation and fund management activities.

2. 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 company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The following principal accounting policies have been applied:

2.2 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.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.3 Foreign currency translation (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue represents the amounts derived from the management of client assets falling within the Company's ordinary activities.

Income is recognised on an accruals basis with the exception of brokerage income and income derived from unit dealing, each of which is accounted for on a trade date basis, and trail commission, which is recognised on a cash basis.

Income accruals are made at each year end in respect of annual portfolio and fund management fees. These are calculated for each fund or portfolio for the period since the last charging date, based on the rate applicable to each and the most recent valuation.

All income excludes value added tax.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 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.

2.7 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 profit or loss 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.

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in profit or loss 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.

2.9 Provision for bad and doubtful debts

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

2.10 Investments

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

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 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.

2.13 Creditors

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

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.14 Financial instruments**

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, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.15 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.

2.16 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 2023, it was a wholly owned subsidiary of King & Shaxson Holdings Ltd and the consolidated financial statements of that company includes its cash flows.

2.17 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. Revenue

	2023 £	2022 £
Sales	<u>1,187,984</u>	<u>1,219,665</u>

Analysis of revenue by country of destination:

	2023 £	2022 £
United Kingdom	<u>1,187,984</u>	<u>1,219,665</u>

4. Operating (loss)/profit

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

	2023 £	2022 £
Management charge paid to fellow group company	<u>1,220,359</u>	<u>955,230</u>

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

5. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	12,000	11,000

Fees of £12,000 (2022: £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 (note 4).

6. Employees

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 4).

7. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	204,447	157,989
Company contributions to defined contribution pension schemes	8,355	8,437
	212,802	166,426

During the year retirement benefits were accruing to 4 directors (2022: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £146,983 (2022: £104,190).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,544 (2022: £5,889).

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. Taxation

The tax charge is based on the profit/(loss) for the year and represents:

	2023 £	2022 £
UK Corporation tax	-	-
Adjustments in respect of previous periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation: origination and reversal of timing differences	-	-
Deferred taxation: changes in tax rates	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax on results on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: *lower than*) the standard rate of corporation tax in the UK of 20.50% (2022: 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	<u>(215,897)</u>	<u>39,579</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.50% (2022: 19%)	<u>(44,250)</u>	<u>7,520</u>
Effects of:		
Group relief	127,132	(7,520)
Remeasurement of deferred tax for changes in tax rates	18,214	-
Deferred tax asset not recognised	(101,096)	-
Total tax charge for the year	<u>-</u>	<u>-</u>

A deferred tax asset of £91,686 (2022: £925,154) arising on carried forward losses has not been recognised during the year.

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Debtors

	2023 £	2022 £
Amounts due from clients and brokers	166,247,568	184,336,885
Other debtors	281,529	246,845
	<u>166,529,097</u>	<u>184,583,730</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.

10. Investments

	2023 £	2022 £
Treasury bills	<u>244,571</u>	<u>248,425</u>

11. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>1,523,990</u>	<u>1,415,126</u>

12. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts due to clients and brokers (refer to note 9)	166,247,568	184,336,885
Other creditors	118,245	136,784
Due to group companies	811,251	437,121
	<u>167,177,064</u>	<u>184,910,790</u>

Due to group companies are interest free and payable on demand.

KING & SHAXSON ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

13. Financial instruments

	2023 £	2022 £
Cash and cash equivalents, trade and other debtors at fair value	<u>168,297,658</u>	<u>186,247,281</u>
Financial liabilities at fair value	<u>(167,177,064)</u>	<u>(184,910,790)</u>

14. 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
FOR THE YEAR ENDED 30 JUNE 2023**

15. Share capital

	2023 £	2022 £
Authorised		
10,000,000 (2022: 10,000,000) Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid		
3,000,000 (2022: 3,000,000) Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

16. 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 2023, King & Shaxson Asset Management Limited had the following tier 1 capital:

	2023 £	2022 £
Share capital	3,000,000	3,000,000
Reserves	(1,879,406)	(1,663,509)
Tier 1 capital	<u><u>1,120,594</u></u>	<u><u>1,336,491</u></u>

17. Related party transactions

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.

18. Ultimate parent company

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, 155 Fenchurch Street, London EC3M 6AL.

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, 155 Fenchurch Street, London EC3M 6AL. 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,.