

Laxey Partners (UK) Limited

Directors' Report and financial statements

For the year ended 30 June 2019

Registered number 04030014



Laxey Partners (UK) Limited

<i>Contents</i>	<i>Page</i>
Directors' Report	1 and 2
Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements	3
Independent Auditor's Report to the members of Laxey Partners (UK) Limited	4 and 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes	10 to 15
Detailed profit and loss account	-

Laxey Partners (UK) Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 30 June 2019.

Principal activity

The principal activity of the Company is that of investment advisory services.

Results

The profit for the year after taxation amounted to £159,736 (2018: £176,625) which has been carried forward to reserves.

Dividend

A dividend of £nil was paid in the year (2018: £500,000).

Directors

The Directors who served during the year and to date were:

C Kingsnorth
A Pegge

The Directors do not have any interest in the share capital of the Company and have not been granted any rights to subscribe for shares or debentures. The Directors have an interest in the share capital of the ultimate controlling party, Laxey Group Limited, as follows:

C Kingsnorth	25,000 shares
A Pegge	25,000 shares

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 auditors are 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 to establish that the Company's auditors are aware of that information.

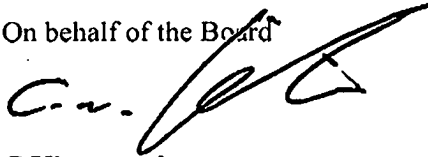
Laxey Partners (UK) Limited

Directors' report (continued)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit LLC will therefore continue in office.

On behalf of the Board



C Kingsnorth

Director

28 October 2019

Princes House
38 Jermyn Street
London
SW1Y 6DN

Laxey Partners (UK) Limited

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent Auditor's report to the members of Laxey Partners (UK) Limited

Opinion

We have audited the financial statements of Laxey Partners (UK) Limited ("the company") for the year ended 30 June 2019 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



Independent Auditor's report to the members of Laxey Partners (UK) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Edward Houghton (Senior Statutory Auditor)
for and on behalf of KPMG Audit LLC, Statutory Auditor
Chartered Accountants
Heritage Court, 41 Athol Street
Douglas, Isle of Man IM99 1HN

28 October 2019

Laxey Partners (UK) Limited

Profit and loss account for the year ended 30 June 2019

	Notes	2019 £	2018 £
Turnover	2	1,572,705	1,812,219
Other income		49,482	50,634
Advisory fees		-	(7,442)
Administration costs		(1,429,949)	(1,639,331)
Operating profit	3	192,238	216,080
Interest receivable		7,881	5,304
Profit on ordinary activities before taxation		200,119	221,384
Taxation	5(a)	(40,383)	(44,759)
Retained profit for the year		159,736	176,625

In both the current and preceding financial years, there were no recognised gains or losses other than those dealt with in the profit and loss account.

The Directors consider that the activities of the Company are continuing.

The notes on pages 10 to 15 form part of these financial statements.

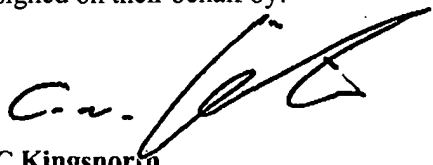
Laxey Partners (UK) Limited

Balance Sheet as at 30 June 2019

	Notes	£	2019 £	£	2018 £
Non-current assets					
Tangible assets	6	16,703		28,469	
Deferred tax assets		<u>7,901</u>		<u>6,156</u>	
			24,604		34,625
Current assets					
Debtors	7	2,265,105		747,346	
Cash at bank		<u>136,027</u>		<u>80,215</u>	
		2,401,132		827,561	
Creditors: amounts falling due within one year	8	<u>(1,669,453)</u>		<u>(265,639)</u>	
Net current assets			731,679		561,922
Net assets			756,283		596,547
<i>Financed by:</i>					
Called up share capital	9		37,500		37,500
Share premium account			112,500		112,500
Profit and loss account			<u>606,283</u>		<u>446,547</u>
Equity shareholder's funds			756,283		596,547

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the Board of Directors on 28 October 2019 and were signed on their behalf by:



C Kingsnorth
Director

Company registered number: 04030014

Laxey Partners (UK) Limited

Statement of Changes in Equity

	Share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 July 2017	37,500	112,500	769,922	919,922
Total profit/comprehensive income for the year				
Profit for the year	-	-	176,625	176,625
Transactions with owners recorded directly in equity				
Dividends payable	-	-	(500,000)	(500,000)
Balance at 30 June 2018	37,500	112,500	446,547	596,547
	Share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 July 2018	37,500	112,500	446,547	596,547
Total profit/comprehensive income for the year				
Profit for the year	-	-	159,736	159,736
Transactions with owners recorded directly in equity				
Dividends payable	-	-	-	-
Balance at 30 June 2019	37,500	112,500	606,283	756,283

The notes on pages 10 to 15 form part of these financial statements.

Laxey Partners (UK) Limited

Statement of Cash Flows for the year ended 30 June 2019

	<i>Note</i>	2019 £	2018 £
Cash flows from operating activities			
Operating profit	3	192,238	216,080
<i>Adjustments for:</i>			
Depreciation	6	15,130	14,534
		<u>207,368</u>	<u>230,614</u>
(Increase)/decrease in debtors		(1,425,884)	624,646
Increase/(decrease) in creditors		1,444,811	(365,179)
Tax paid		(175,000)	(25,000)
Net cash generated from operating activities		<u>51,295</u>	<u>465,081</u>
Cash flows from investing activities			
Interest received		7,881	5,304
Purchase of tangible fixed assets	6	(3,364)	(13,279)
Net cash generated from/(used in) investing activities		<u>4,517</u>	<u>(7,975)</u>
Cash flow from financing activities			
Dividend paid		-	(500,000)
Net cash used in financing activities		<u>-</u>	<u>(500,000)</u>
Net increase/(decrease) in cash and cash equivalents		55,812	(42,894)
Cash and cash equivalents at 1 July		80,215	123,109
Cash and cash equivalents at 30 June		<u><u>136,027</u></u>	<u><u>80,215</u></u>

The notes on pages 10 to 15 form part of these financial statements.

Laxey Partners (UK) Limited

Notes

(forming part of the financial statements for the year ended 30 June 2019)

1 Accounting policies

a) *Basis of preparation*

These financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice.

The financial statements and related notes have been prepared in accordance with applicable law and UK Accounting Standards including FRS 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. These financial statements are prepared on the historical cost basis and a going concern basis. The presentation currency of these financial statements is sterling. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

b) *Turnover*

Turnover represents investment advisory and management fees invoiced and accrued during the year, excluding Value Added Tax.

c) *Fixed assets and depreciation*

Fixed assets are stated at cost and written off over their expected useful economic lives at the following rates:

Land & buildings	10 years
Office equipment	3 years
Computer equipment	3 years
Fixtures and fittings	5 years

d) *Deferred taxation*

Deferred taxation is provided on a full provision basis on all timing differences which have originated, but not reversed at the balance sheet date. Timing differences represent accumulated differences between the Company's taxable profit and its financial profit, and primarily arise from the difference between accelerated capital allowances and depreciation.

e) *Pensions*

The Company makes contributions to employees' personal money purchase pension schemes. Contributions payable for the year are charged to the profit and loss account.

f) *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Laxey Partners (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 30 June 2019)

1 Accounting policies (continued)

g) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2 Turnover

	2019 £	2018 £
Fees receivable	<u>1,572,705</u>	<u>1,812,219</u>

Fees receivable represent investment advisory fees of £1,572,705 (2018: £1,803,264) receivable from Laxey Partners Limited (note 11) and investment management fees of £nil (2018: £8,955).

3 Operating profit

Operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation	15,130	14,534
Audit fees - current year	6,810	6,000
Audit fees – under/(over) accrued	415	(5,630)
Operating lease rentals	<u>207,000</u>	<u>204,371</u>

4 Staff costs

	2019 £	2018 £
Wages and salaries	797,878	920,917
Social security costs	103,391	114,046
Pension costs	45,320	57,453
	<u>946,589</u>	<u>1,092,416</u>

	No	No
Average number of persons employed during the year	<u>5</u>	<u>7</u>

	£	£
Directors' emoluments		
Aggregate of Directors' emoluments	435,635	433,721
Company contributions to money purchase schemes	21,120	21,120
	<u>456,755</u>	<u>454,841</u>

Laxey Partners (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 30 June 2019)

4 Staff costs (continued)

The aggregate of emoluments of the highest paid director was £435,635 (2018: £433,721) and Company pension contributions of £21,120 (2018: £21,120) were made to a money purchase scheme on his behalf.

The number of Directors accruing benefits under pension schemes was:

Money Purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5 Taxation

(a) Analysis of charge in year

	2019 £	2018 £
<i>Current tax</i>		
UK corporation tax on income for the year	41,900	43,131
Adjustments in respect of prior year	228	(748)
	<u>42,128</u>	<u>42,383</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(1,745)	2,376
Tax on profits on ordinary activities	<u><u>40,383</u></u>	<u><u>44,759</u></u>

(b) Factors affecting tax charge for the year

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>200,119</u>	<u>221,384</u>
Profit on ordinary activities before taxation multiplied by the main rate of corporation tax in the UK 19% (2018: 19.0%)	38,023	42,063
<i>Effects of:</i>		
Expenses not deductible for taxation purposes	3,027	2,390
Other adjustments	(895)	1,054
Adjustment in respect of prior year	228	(748)
Tax charge for year	<u><u>40,383</u></u>	<u><u>44,759</u></u>

During the year the Company became liable to a loan to participator tax charge of £47,511 based on the loan to director balance as at 30 June 2018 that had not been repaid by 31 March 2019 (the date the charge became effective). This tax charge was paid during the year. As the director's loan was repaid in full as at 30 June 2019 the amount paid will be refunded and has therefore been included in debtors in the financial statements.

Laxey Partners (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 30 June 2019)

6 Tangible fixed assets

	Land & buildings £	Office equipment £	Computer equipment £	Fixtures & fittings £	Total £
Cost					
As at 1 July 2018	50,304	28,704	189,994	222,425	491,427
Additions	-	-	3,084	280	3,364
Disposals	-	-	(2,171)	-	(2,171)
As at 30 June 2019	50,304	28,704	190,907	222,705	492,620
Depreciation					
As at 1 July 2018	32,736	28,704	182,287	219,231	462,958
Charge for the year	4,392	-	8,495	2,243	15,130
Disposals	-	-	(2,171)	-	(2,171)
As at 30 June 2019	37,128	28,704	188,611	221,474	475,917
Net book value					
As at 30 June 2019	13,176	-	2,296	1,231	16,703
As at 30 June 2018	17,568	-	7,707	3,194	28,469

7 Debtors

	2019 £	2018 £
Amounts due from related parties (note 11)	2,055,442	523,657
Director's loan account (note 11)	-	146,188
Other debtors	48,829	11,071
Corporation tax	91,874	-
Prepayments	68,960	66,430
	2,265,105	747,346

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Corporation tax	-	40,997
Amounts due to related parties (note 11)	1,413,810	-
Trade creditors	4,821	33,409
Director's loan account (note 11)	54,129	-
Taxation and social security	44,692	45,473
Accruals and other creditors	152,001	145,760
	1,669,453	265,639

Laxey Partners (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 30 June 2019)

9 Called up share capital

	2019 £	2018 £
<i>Authorised</i>		
4,000,000 ordinary shares of £0.25 each	<u>1,000,000</u>	<u>1,000,000</u>
<i>Allotted, called up and fully paid</i>		
150,000 ordinary shares of £0.25 each	<u>37,500</u>	<u>37,500</u>

10 Ultimate controlling party

Laxey Group Limited is the ultimate controlling party. The immediate controlling party is Laxey Partners Ltd, a company incorporated in the Isle of Man.

11 Related party disclosures

Related party transactions

During the year the Company conducted the following material transactions with related parties:

Name	Nature of transaction	2019 £	2018 £
Laxey Partners Ltd	Investment advisory fees	1,572,705	1,803,264
	Advisory fees	-	(7,442)
	Other income	48,777	23,919
Director	Loan interest received from Director's loan account	<u>7,875</u>	<u>5,304</u>

Other income receivable from Laxey Partners Ltd represents an allocation of fees receivable by Laxey Partners Ltd from Dbay Advisors Limited in connection with Infrastructure and Administration support.

Related party balances

As at 30 June 2018 the following balances existed with related parties:

		2019 £	2018 £
Owed by/(to)			
Laxey Group Ltd	Accounts receivable	2,055,442	-
Laxey Partners Ltd	Accounts receivable	-	523,657
Laxey Partners Ltd	Accounts payable	(1,413,810)	-
Director	Loan account	<u>(54,129)</u>	<u>146,188</u>

The amount owed by/(to) Laxey Partners Ltd is unsecured, interest free and repayable on demand.

Laxey Partners (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 30 June 2019)

11 Related party disclosures (continued)

Related party balances (continued)

The amount owed by/(to) a Director is unsecured and repayable on demand. Interest is receivable at the UK official rate. There is no interest on a creditor balance.

12 Operating lease commitments

The operating lease commitments for next year in respect of premises leased by the Company are as follows:

	2019	2018
	£	£
Operating leases which expire:		
Within one year	-	-
In 2 – 5 years	-	-
After 5 years	207,000	207,000
	<u>207,000</u>	<u>207,000</u>