



Registered number: 05583807

OCEAN DIAL ASSET MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



OCEAN DIAL ASSET MANAGEMENT LIMITED

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OCEAN DIAL ASSET MANAGEMENT LIMITED

MANAGEMENT AND ADMINISTRATION

FOR THE YEAR ENDED 31 MARCH 2019

Directors R Shukla (appointed 1 October 2018)
R D Sellers
D R D Cornell

Company secretary R D Sellers

Company number 05583807

Registered office 14 Buckingham Street
London
WC2N 6DF

Auditor Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

OCEAN DIAL ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Business review

The year to 31 March 2019 was a challenging year for the company as it battled the headwinds of global equity markets uncertainty, oil price volatility and a general credit squeeze in India following the collapse of the infrastructure company IL&FS and General Elections.

The year-end assets under management ("AUM") fell over 16% compared to last year standing at £323m (2018: £386m) although the average AUM for the year fell by only 8% to £381m (2018: £413m) aided by significant subscriptions in April 2018 relating to the launch that month of the Ocean Dial Emerging India Fund and the Ocean Dial Composite India Fund.

We continued to invest in building our internal capabilities in the financial year despite difficult market conditions, in line with our emphasis on building long term sustainable advantages for future growth. This had an adverse impact on our FY19 profitability: the blended margin reduced to 69 bps (2018: 87 bps) with net revenue declining to £2,617,000 (2018: £3,577,000) due to falling AUM, increased investment advisory fees and no performance fees received this year (2018: £229,000).

Operating expenses increased to £1,970,000 (2018: £1,424,000) primarily due to increases in staff and consultancy costs and associated recruitment costs. Consequently profit before tax fell to £656,000 (2018: £2,165,000). The company declared dividends of £660,000 during the year.

These investments are likely to hold us in good stead as the market conditions improve and allow us to build more client relationships across a broader geographical base.

Funds

During the year the company managed five funds focused on India, launching two funds (EIF and CIF) in April 2018 and closing one fund (Ocean Dial Systematic India Return Fund ("SIRF")) in November 2018:

- India Capital Growth Fund Limited ("ICGF"), a close-ended investment company registered in Guernsey whose shares are listed on the London Stock Exchange Main Market. Its objective is to achieve capital growth through investment in predominantly small and mid-cap listed companies in India. The company receives a monthly management fee of 1.5% of AUM. At 31 March 2019 the AUM was £117.9m (2018: £120.9m).
- Ocean Dial Gateway to India Fund ("GTIF") is a daily dealing UCITS fund with several classes of shares listed on the Irish Stock Exchange. The fund's objective is to achieve capital growth through investment across the market cap spectrum of listed companies in India. The company receives varying management and performance fees dependent upon the class of share to which it relates. The AUM at 31 March 2019 was £123.4m (2018: £262.6m).
- Ocean Dial Composite India Fund ("CIF") was launched in April 2018. CIF is a daily dealing UCITS fund with two classes of shares listed on the Irish Stock Exchange which invests in a portfolio of Indian listed equities similar to GTIF (60% - 80%) and US denominated Indian corporate bonds (20% - 40%). The company receives a management fee of 0.95% of monthly AUM. The AUM at 31 March 2019 was £61.8m.
- Ocean Dial Emerging India Fund ("EIF") was also launched in April 2018. EIF is a weekly dealing UCITS fund with several classes of shares listed on the Irish Stock Exchange. The fund's objective is to achieve capital growth through investment in Indian listed equities of relatively new and entrepreneurial companies. The company receives varying management and performance fees dependent upon the class of share to which it relates. The AUM at 31 March 2019 was £19.6m.

Future developments

The management of the company expects to further increase and diversify the source of revenue in the future by the launch of further funds investing in India and other Asian countries. Additional revenue is also expected from the continued growth in the total AUM of the funds managed by the company through both fund performance and increased investor base.

OCEAN DIAL ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Principal risks and uncertainties

The principal risks and uncertainties facing the company arise from its concentration of income earned from the management of a small number of funds, whose performance is largely dependent upon the fortunes of the Indian economy and whose investor base is relatively small, both by number and type. Following steps taken by management, the company's revenue and investor base has increased over the last few years thereby reducing the impact of concentration risk.

Capital and financial risk management

The company operates a simple business model and does not actively use financial instruments as part of its financial risk management. It is exposed to concentration risk as described above, and the usual credit, foreign exchange and cash flow risks associated with providing its services to its fund clients on credit, the majority of which is invoiced in US Dollars. These risks are managed through appropriate credit control procedures and the regular translation of surplus US Dollars into Sterling. The nature of the company's financial instruments is such that they are not subject to price risk or liquidity constraints.

During the year and at 31 March 2019 the company's capital remained in excess of £1m and at 31 March 2019 cash at bank totalled £1.4m (2018: £1.8m).

Approval

This report was approved by the Board on 23 July 2019 and signed on its behalf by:



R D Sellers
Director

OCEAN DIAL ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activities

Ocean Dial Asset Management Limited, is a specialist investment management company with a particular focus on India. It is authorised and regulated by the Financial Conduct Authority and its Pillar 3 disclosure is available at the Registered Office address and published on the company website (see: www.oceandial.com/regulatory-disclosures/regulatory-disclosures).

Results

The results for the year are set out in the statement of comprehensive income on page 8. The profit for the year after taxation amounted to £656,000 (2018: £1,789,000).

Future developments and financial risk management

In accordance with section 414C(11) of the Companies Act 2006, the information relating to future developments and financial risk management are included in the Strategic Report.

Directors

The directors who served during the year were:

R Shukla (appointed 1 October 2018)
R D Sellers
D R D Cornell

Employees

Disclosure of the number of employees and remuneration is set out in note 3.

Statement as to disclosure of information to auditors

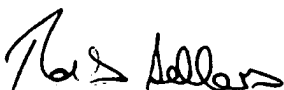
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

Auditor

A resolution to reappoint Kingston Smith LLP as auditors of the company will be proposed at the next Annual General Meeting.

This report was approved by the Board on 23 July 2019 and signed on its behalf by:



R D Sellers
Director

OCEAN DIAL ASSET MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

OCEAN DIAL ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN DIAL ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Ocean Dial Asset Management Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, 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 International Finance Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

OCEAN DIAL ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN DIAL ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2019

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic and directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

OCEAN DIAL ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN DIAL ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2019

- Conclude 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.



Thomas Moore (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

23 July 2019

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
United Kingdom
EC1M 7AD

OCEAN DIAL ASSET MANAGEMENT LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £000	2018 £000
Revenue		4,482	5,451
Cost of sales		(1,865)	(1,874)
Gross profit		2,617	3,577
Operating expenses		(1,970)	(1,424)
Profit on foreign currency transactions		9	3
Other expenses		-	(10)
Other income		-	19
Profit on ordinary activities before taxation		656	2,165
Taxation from continuing activities	5	-	(376)
Profit for the year		656	1,789

STATEMENT OF COMPREHENSIVE INCOME

	2019 £000	2018 £000
Profit on ordinary activities before taxation	656	2,165
Change in fair value of available for sale financial assets	(1)	-
Total comprehensive income for the year	655	2,165

The notes on pages 12 to 22 form part of these financial statements.

OCEAN DIAL ASSET MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	31 March 2019 £000	31 March 2018 £000
Assets			
Non-current assets			
Property, plant and equipment	6	10	15
Available for sale financial assets	7	-	8
Total non-current assets		10	23
Current assets			
Trade and other receivables	8	460	551
Cash and cash equivalents		1,441	1,830
Total current assets		1,901	2,381
Total assets		1,911	2,404
Current liabilities			
Trade and other payables	9	(791)	(1,278)
Total current liabilities		(791)	(1,278)
Net assets		1,120	1,126
Equity			
Share capital	10	0.4	0.4
Share premium		180	180
Other reserves		-	1.2
Retained earnings		940	944
Total equity		1,120	1,126

The financial statements were approved and authorised for issue by the Board on 23 July 2019 and were signed on their behalf by:



R D Sellers

For and on behalf of Ocean Dial Asset Management Limited

Registered number: 05583807

The notes on pages 12 to 22 form part of these financial statements.

OCEAN DIAL ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share Capital £000	Share Premium £000	Other Reserves £000	Retained Earnings £000	Total £000
Opening balance at 1 April 2018	0.4	180	1	944	1,125
Total comprehensive income					
Profit for the year	-	-	-	656	656
Change in fair value of available for sale financial assets	-	-	(1)	-	(1)
Dividends	-	-	-	(660)	(660)
Balance at 31 March 2019	0.4	180	-	940	1,120

	Share Capital £000	Share Premium £000	Other Reserves £000	Retained Earnings £000	Total £000
Opening balance at 1 April 2017	0.4	180	1	813	995
Total comprehensive income					
Profit for the year	-	-	-	1,789	1,789
Dividends	-	-	-	(1,657)	(1,657)
Balance at 31 March 2018	0.4	180	1	944	1,125

The notes on pages 12 to 22 form part of these financial statements.

OCEAN DIAL ASSET MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	2019 £000	2018 £000
Cash flows from operating activities		
Profit before taxation	656	2,165
Adjustments for:		
Depreciation	7	17
Decrease/(increase) in trade and other receivables	91	(11)
(Decrease)/increase in trade and other in payables	(168)	419
Cash generated from operations	586	2,590
Tax paid	(320)	-
Net cash generated from operating activities	266	2,590
Cash flow from investing activities		
Proceeds from sale of available for sale financial assets	8	-
Purchase of plant, property and equipment	(3)	(9)
Net cash used in investing activities	5	(9)
Cash flow from financing activities		
Dividends paid	(660)	(1,657)
Net (decrease/increase) in cash and cash equivalents	(389)	924
Cash and cash equivalents at 1 April 2018	1,830	906
Cash and cash equivalents at 31 March 2019	1,441	1,830

The notes on pages 12 to 22 form part of these financial statements.

OCEAN DIAL ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Principal Accounting Policies

General

Ocean Dial Asset Management Limited (the "company") is a company incorporated in the UK. The principal accounting policies of the company adopted in the preparation of the financial statements are described below. These policies have been consistently applied throughout the year.

Basis of preparation of financial statements

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS. These accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and certain financial instruments.

Standards in effect in 2018 adopted by the company

The following new and revised Standards and Interpretations have been issued and are effective for the current financial period of the company.

- IFRS 9 Financial Instruments took effect from 1 January 2018 and has been adopted from 1 April 2018. The company has reassessed the classification and measurement of financial instruments and subsequently the change in fair value of available for sale financial assets will now be classified through the profit or loss instead of other comprehensive income.
- IFRS 15 Revenue from Contracts with Customers also took effect from 1 January 2018 and has been adopted for the year ended 31 March 2019 (using the full retrospective method). The revenue recognition accounting policy applied prior to adoption of IFRS 15 by the company is consistent with the requirements of IFRS 15, and therefore adoption of the standard has not affected amounts recognised in the current or comparative periods.

IFRSs in issue but not applied in the current financial statements

The following IFRS and IFRIC Interpretations have been issued but have not been applied by the company in preparing these financial statements as they are not as yet effective and in some cases had not yet been adopted by the EU. The company intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 9 (amendments) 'Prepayment Features with Negative Compensation'
- IFRS 16, 'Leases'
- IAS 28 (amendments) 'Investments in Associates and Joint Ventures'
- IFRIC 23 Uncertainty over income tax treatments

IFRS 16 is a significant change to lessee accounting and all leases will require balance sheet recognition of a liability and a right-of-use asset except short term leases and leases of low value assets. The estimated effect on the company is expected to be £120,000 as outlined in note 11.

The directors do not expect that the adoption of the other Standards listed above will have a material impact on the company in future periods.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the company's activities and which have not therefore been adopted in preparing these financial statements.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

OCEAN DIAL ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no accounting estimates that have a material effect on the financial statements.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling, which is the company's functional currency, at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the income statement.

Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

Financial assets are initially recognised at fair value, being the consideration given, plus any directly attributable transaction costs. Purchases and sales of financial assets are recognised at trade date, being the date when the company commits to purchase or sell the asset.

Subsequent measurement

The investments in the funds that it manages are designated as "available-for-sale" financial assets and are included in non-current assets. Such assets are subsequently carried at fair value, with any gains or losses arising from changes in fair value being recognised through the profit and loss. Available-for-sale financial assets are derecognised when such assets are sold and the company has transferred substantially all risks and rewards of ownership. When derecognition occurs, a realised gain or loss is recognised in the income statement, calculated as the difference between the net sales proceeds and the original cost of the financial asset.

Trade and other receivables

Trade and other receivables are stated at their original invoiced value, less any appropriate allowance for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities, including borrowings, are recognised initially at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. The company determines the classification of its financial liabilities at initial recognition.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

OCEAN DIAL ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Revenue recognition

Revenue represents fees receivable (excluding value added tax) during the period for discretionary investment management services. Management fees and performance fees are recognised when receivable. Performance fees, which are based on the investment performance, are recognised as revenue at the end of the period over which the performance is measured.

Revenue is measured at the transaction price, being the fair value of the consideration received or receivable. The transaction price is reduced for estimated customer returns, rebates and other similar allowances. Contracts with customers do not contain a financing component or any element of variable consideration.

Interest receivable and similar income

Interest receivable is recognised on an accruals basis using the effective interest method.

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. Depreciation is charged on a straight line basis as follows:

Leasehold improvements	- 20 - 22 months
Computer equipment	- 33%
Fixtures and fittings	- 20%

Operating leases

Rentals under operating leases are charged to the income statement on a straight line basis over the lease term.

Taxation

Current tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Tax relating to items charged or credited directly to equity is also dealt with in equity.

Deferred tax

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

OCEAN DIAL ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2019****Pensions**

The company makes monthly fixed payments into personal stakeholder pension policies. The pension cost represents contributions payable by the company to the policies in the year.

2. Profit on Ordinary Activities Before Taxation

Stated after charging:

	2019 £000	2018 £000
Staff costs	926	785
Depreciation	7	18
Operating lease rentals	93	77
Audit fees	15	15

3. Staff Costs

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

	2019 £000	2018 £000
Salaries	756	654
Social security costs	112	82
Pension costs	58	49
	<u>926</u>	<u>785</u>

Pension costs outstanding at the year end amounted to £5,500 (2018: £9,000).

	2019	2018
Average number of full time employees during year	<u>8</u>	<u>6</u>

All employees are directly or indirectly engaged in the company's business.

4. Directors' Emoluments

	2019 £000	2018 £000
Total emoluments	393	410
Company pension contributions to defined contribution pension schemes	<u>33</u>	<u>31</u>

Amounts in respect of the highest paid Director are as follows:

Total emoluments	210	225
Company contributions to defined contribution pension schemes	<u>17</u>	<u>16</u>

Key management personnel compensation is the same as directors' emoluments.

OCEAN DIAL ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

5. Taxation from Continuing Activities

	2019	2018
	£000	£000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge for the year	-	324
Deferred tax		
Origination and reversal of timing differences	-	52
 Tax from continuing activities	<u>-</u>	<u>376</u>

Factors affecting tax for the year

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£000	£000
Profit on ordinary activities before tax	<u>656</u>	<u>2,165</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	125	411
Effects of:		
Expenses not deductible for taxation	2	4
Accelerated capital allowances	(1)	-
Change in tax rate	-	2
Utilisation of tax losses	(122)	(41)
Over-provision of tax in prior year	(4)	-
 Current tax charge for the year (see note above)	<u>-</u>	<u>376</u>

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FOR THE YEAR ENDED 31 MARCH 2019

6. Property, Plant and Equipment

	Leasehold improvements £000	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost				
At 1 April 2018	30	7	46	83
Additions	-	-	3	3
Disposals	-	(2)	(25)	(27)
At 31 March 2019	30	5	24	59
Depreciation				
At 1 April 2018	29	4	35	68
Charge for the year	1	1	5	7
Disposals	-	(2)	(24)	(26)
At 31 March 2019	30	3	16	49
Net book value at 31 March 2019	-	2	8	10
Net book value at 31 March 2018	1	3	11	15
	Leasehold improvements £000	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost				
At 1 April 2017	30	6	38	74
Additions	-	1	8	9
At 31 March 2018	30	7	46	83
Depreciation				
At 1 April 2017	18	2	30	50
Charge for the year	11	2	5	18
At 31 March 2018	29	4	35	68
Net book value at 31 March 2018	1	3	11	15
Net book value at 31 March 2017	12	4	8	24

7. Available For Sale Financial Assets

	Systematic India Return Fund £000
Cost	
At 1 April 2018	8
Disposal	(8)
At 31 March 2019	-
Fair value at 31 March 2019	-
Fair value at 31 March 2018	8

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8. Trade and Other Receivables

	2019 £000	2018 £000
Trade debtors	-	9
Other debtors	61	81
Prepayments and accrued income	399	461
	<u>460</u>	<u>551</u>

Included in other debtors is balance of £36k (2018: £36k) due in more than one year in relation to a rent deposit.

9. Trade and Other Payables

	2019 £000	2018 £000
Trade creditors	128	13
Accruals and deferred income	631	922
Social security and other taxes	28	19
Corporation tax	4	324
	<u>791</u>	<u>1,278</u>

10. Share Capital

	2019 £	2018 £
Authorised		
41,080 Ordinary shares of £0.01 each	411	411
	<u>411</u>	<u>411</u>
	2019 £	2018 £
Allotted, called up and fully paid		
41,080 Ordinary shares of £0.01 each	411	411
	<u>411</u>	<u>411</u>

Ordinary shares carry full voting rights on all resolutions, with one share carrying one vote.

11. Operating Lease Commitments

	2019 £000	2018 £000
Less than one year	60	60
Between 2 and 5 years	60	120
Over 5 years	-	-
	<u>120</u>	<u>180</u>

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12. Financial Instruments

The company's financial assets comprise investments in available for sale financial assets, trade and other receivables and cash and cash equivalents. Financial liabilities comprise trade and other payables. The main areas of risk arising from these are:

- credit risk
- liquidity risk
- price risk
- capital risk
- operational risk

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Fees due from funds managed by the company are invoiced monthly and are settled within 30 days of the invoice date. No trade receivables at year end are impaired and to date there have been no settlement issues with any funds. The risk is therefore regarded as low.

The carrying value of the company's financial assets represents its maximum exposure to credit risk at the year end. The maximum credit risk at the reporting date was:

	2019 £000	2018 £000
Trade and other receivables	460	551
Cash and cash equivalents	1,441	1830
	<u>1,901</u>	<u>2,381</u>

Liquidity risk

Liquidity risk is the risk that the company may be unable to meet its payment obligations as they fall due. The company maintains significant liquid resources in the form of cash or cash deposits in order to meet working capital and regulatory needs. The company's financial liabilities comprise trade and other payables, for which the contractual maturities dates are no longer than six months.

Price risk

Price risk is the risk that changes in market prices will affect the company's income or value of its investments.

Interest rate risk

Interest rate risk arises from cash and cash equivalents. It is recognised that interest rates are liable to fluctuate and the company accepts this risk and does not consider it to be material to the company.

Foreign currency risk

The company is only exposed to GBP Sterling/US Dollar foreign exchange movements as it receives management fees from certain funds it manages in US Dollars and pays some expenses in US Dollars. To manage this exposure the company maintains a US Dollar bank account so US Dollar receipts can be used to settle US Dollar payments without the need for foreign exchange, and from time to time surplus funds in the US Dollar bank account are converted to GBP Sterling.

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FOR THE YEAR ENDED 31 MARCH 2019

Capital management

The company is managed as a going concern and has sufficient capital to meet its day-to-day needs and to fulfil any externally imposed capital requirements. The capital of the company consists of equity attributable to equity holders of the parent company, comprising issued share capital, share premiums, reserves and retained earnings. The company is supervised by the Financial Conduct Authority and submits appropriate returns on its capital adequacy. Throughout the year, the company held surplus capital over the regulated requirement.

Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At the end of both the current as well as the comparative period, all available-for-sale assets held by the Group were Level 1. The carrying values of the Group's financial instruments are presented on the face of the statement of financial position. During the reporting period there were no transfers between levels in fair value measurements. There are no level 2 or 3 financial instruments.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance when this is effective

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

13. Financial assets and liabilities

Note 1 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

31 March 2019	Amortised cost	FVPL	FVOCI	Total
	£'000	£'000	£'000	£'000
Financial assets				
Trade and other receivables	460	-	-	460
Cash and cash equivalents	1,441	-	-	1,441
Total financial assets	1,901	-	-	1,901

31 March 2019	Other liabilities at FVTPL	Other liabilities (amortised cost)	Total
	£'000	£'000	£'000
Financial liabilities			
Trade and other payables	-	791	791
Total financial liabilities	-	791	791

31 March 2018	Loans and receivables (amortised cost)	Held for trading (FVTPL)	Available for sale (FV)	Total
	£'000	£'000	£'000	£'000
Financial assets				
Other short term financial assets	-	-	8	8
Trade and other receivables	551	-	-	551
Cash and cash equivalents	1,830	-	-	1,830
Total financial assets	2,381	-	8	2,389

31 March 2018	Other liabilities at FVTPL	Other liabilities (amortised cost)	Total
	£'000	£'000	£'000
Financial liabilities			
Trade and other payables	-	1,278	1,278
Total financial liabilities	-	1,278	1,278

OCEAN DIAL ASSET MANAGEMENT LIMITED

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14. Related Party Transactions

The company has an Investment Advisory Agreement with Ocean Dial Asset Management India Private Limited ("ODAMIPL"), a wholly owned subsidiary of Avendus Capital Private Limited ("Avendus"), a company registered in India and the controlling party of the company. During the year, the company paid fees and expenses to ODAMIPL totalling £911,036 (2018: £308,658) under this agreement. At the reporting date £242,754 (2018: £226,000) was due to Avendus.

The company had a Consultancy Agreement with R Shukla, a non-executive director of the company. During the year consultancy fees of £500,000 (2018: £166,667) were paid to R Shukla of which £166,667 (2018: £166,667) was due to him at the year end. The Consultancy Agreement was terminated after the balance sheet date on executing a Termination Agreement dated 31 May 2019.

15. Ultimate Parent Undertaking and Controlling Party

Avendus Capital Private Limited, a company incorporated in India is the ultimate parent undertaking of the company. The financial statements are available from its registered office, IL&FS Financial Centre, C & D Quadrant, 6th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India.