

HERMITAGE CAPITAL MANAGEMENT (UK) LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

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HERMITAGE CAPITAL MANAGEMENT (UK) LTD

COMPANY INFORMATION

Director	I S Cherkasov
Company secretary	I S Cherkasov
Registered number	05775751
Registered office	The Aspect 12 Finsbury Square EC2A 1AS
Accountants	Blick Rothenberg Limited Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH

HERMITAGE CAPITAL MANAGEMENT (UK) LTD**BALANCE SHEET
AS AT 28 FEBRUARY 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	4,430	3,253
Investments	5	264,000	264,000
		<u>268,430</u>	<u>267,253</u>
Current assets			
Debtors: amounts falling due after more than one year	6	-	137,500
Debtors: amounts falling due within one year	6	125,573	127,164
Cash at bank and in hand		69,795	57,829
		<u>195,368</u>	<u>322,493</u>
Creditors: amounts falling due within one year	7	(6,196,031)	(5,554,356)
Net current liabilities		<u>(6,000,663)</u>	<u>(5,231,863)</u>
Net liabilities		<u><u>(5,732,233)</u></u>	<u><u>(4,964,610)</u></u>
Capital and reserves			
Called up share capital	8	48,090	48,090
Profit and loss account		(5,780,323)	(5,012,700)
Total deficit		<u><u>(5,732,233)</u></u>	<u><u>(4,964,610)</u></u>

The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the sole director.

I S Cherkasov
Director

Date: 27 November 2023

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

BALANCE SHEET (CONTINUED) AS AT 28 FEBRUARY 2023

The notes on pages 4 to 11 form part of these financial statements.

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

1. General information

The principal activities of the group are to provide research on investments and work on human rights campaigns.

The company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office and principal place of business is The Aspect, 12 Finsbury Square, London, EC2A 1AS.

The financial statements are presented in Sterling (£). Monetary amounts in the financial statements are rounded to the nearest £.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the fact that the group has a deficit on shareholders' funds at the balance sheet date. The director considers this basis to be appropriate as he has received assurances of continued financial support from a group company for the foreseeable future, being a period of at least twelve months from the date the financial statements were approved.

2.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. A full year of depreciation is charged in the year of acquisition.

Depreciation is provided on the following basis:

Office equipment	- 25% straight line
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HERMITAGE CAPITAL MANAGEMENT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.5 Operating leases

Rentals paid under operating leases are charged to the profit or loss account on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the term of the lease.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Share capital

Ordinary shares are classified as equity.

2.8 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including other debtors, cash and bank balances and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including other creditors and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets 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 profit and loss account.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The group's functional and presentational currency is Sterling (£).

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.

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 the consolidated profit and loss account within 'administrative expenses'.

2.11 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 balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Interest income

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

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2022 - 5).

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

4. Tangible fixed assets

	Office equipment £
Cost	
At 1 March 2022	8,775
Additions	3,670
	<hr/>
At 28 February 2023	12,445
	<hr/>
Depreciation	
At 1 March 2022	5,522
Charge for the year	2,493
	<hr/>
At 28 February 2023	8,015
	<hr/>
Net book value	
At 28 February 2023	<hr/> 4,430
At 28 February 2022	<hr/> 3,253

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

5. Fixed asset investments

	Investments in subsidiary undertaking £
Cost	
At 1 March 2022	264,000
At 28 February 2023	264,000
Net book value	
At 28 February 2023	264,000
At 28 February 2022	264,000

6. Debtors

	2023 £	2022 £
Due after more than one year		
Amounts owed by group undertakings	-	137,500
Due within one year		
Other debtors	117,770	94,346
Prepayments and accrued income	7,803	32,818
	125,573	127,164

HERMITAGE CAPITAL MANAGEMENT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	6,170,778	5,503,037
Other taxation and social security	2,165	446
Other creditors	11,613	7,840
Accruals and deferred income	11,475	43,033
	<u>6,196,031</u>	<u>5,554,356</u>

8. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
48,090 (2022 - 48,090) Ordinary shares of £1 each	<u>48,090</u>	<u>48,090</u>

9. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions with other related parties are as follows:

Relationship	Transaction	Amount due (to)/from related parties			
		Amount			
		2023 £	2022 £	2023 £	2022 £
Common control	Recharges	554,518	136,467	2,506,549	1,952,031
	Bad debt provision	(554,518))	(136,467))	(2,506,549))	(1,952,031))
Subsidiary undertaking	Loan	137,500	-	-	137,500
	Drawings	49,582	50,241	-	-
	Recharges	168,484	102,335	(177,724))	(369,722))

10. Post balance sheet events

Subsequent to the year end the company entered in a contract for I.T. services for 36 months, with monthly payments of £4,954, totalling a commitment of £178,363, with £37,159 due within 12 months of the year end.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.