

# Absolute Return Investment Advisers (ARIA) Limited

trading as ARIA Capital Management  
Annual Report and Financial Statements  
for the Year Ended 31 March 2019

**Absolute Return Investment Advisers (ARIA) Limited**  
**trading as ARIA Capital Management**

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**Absolute Return Investment Advisers (ARIA) Limited**  
**trading as ARIA Capital Management**

**Strategic Report for the Year Ended 31 March 2019**

The directors present their strategic report for the year ended 31 March 2019.

**Principal activity**

The principal activity of the company is the provision of investment advisory services

**Fair review of the business**

The Company made a pre-tax profit of £302,294 compared to £506,127 in 2018 and had net assets of £1,239,119 at the balance sheet date [2018: £986,608].

The Directors consider this to be a satisfactory outcome for the year given the Company's focus on establishing UCITS V fund structures, as well as continued development of the wealth management platform. The Directors consider the Company is well placed to take advantage of changes in the global financial services industry.

**Principal risks and uncertainties**

The Directors have undergone a thorough analysis of the risks inherent in the Company's activities. The analysis identified the likelihood of the event occurring as well as the magnitude of the impact on the Company should the event occur. The Directors considered the level of control exercised by the Company to manage the risk that the event occurs, as well as identifying the persons to manage the risk and those persons to supervise and monitor the risk.

The main risk that the Directors identified was from the disintermediation of the Financial Services industry and its increasingly global nature, given historically much of the client business has been intermediated by professional advisers. The Directors consider that the Company's size and the ability to react rapidly to changing market and industry conditions marks a considerable strength as well as presenting opportunities.

The Company also minimises this risk whenever possible through diversification and broadening of its service proposition. To this end, the Company has developed more 'direct-to-client' services, and developed platforms for new client types, such as a securitisation platform, which will move the Company towards a multi-distribution channel business.

Approved by the Board on 11 July 2019 and signed on its behalf by:

.....  
M Brittain  
Chief executive

.....  
A McKenzie-Smart  
Director

**Absolute Return Investment Advisers (ARIA) Limited**  
**trading as ARIA Capital Management**

**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.

**Directors of the company**

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

M Brittain - Chief executive

D Brimacombe - Chairman

A McKenzie-Smart

**Financial instruments**

***Objectives and policies***

The main financial performance indicator is driven by assets under management, custody and advice. The Company has recently added UK private client permissions and in doing so is in the process of onboarding over 1400 new clients to the UK private client associated company, bringing an additional £100m of assets to manage.

Furthermore, the Company is in the process of setting up a new MIFID 2 licence in Europe which will likely accelerate assets under management in the coming months. In doing so, the Company has recruited to strengthen its advice team in the UK as the paraplanning function grows to support a more technology led global advice standard. The Company has new fund launches in the pipeline, as well as continuing to develop its platform technology which will see the launch of a new Direct to Consumer online advice solution in the near future.

The Company has also entered into joint venture arrangements with intermediaries in Singapore, Hong Kong, Malta, Switzerland and the Benelux area, so that the Company has a global presence through a network of associated companies.

Internationally, a securitisation platform, a growing corporate and fiduciary service and the launch of new institutional funds, means revenue growth to this Company and its associates.

The value of funds under management is an indicator of the performance of individual portfolios and the underlying funds and these are regularly reviewed against industry standards.

***Price risk, credit risk, liquidity risk and cash flow risk***

The Company's Pillar 3 disclosures can be found on its website on [www.ariacm.com](http://www.ariacm.com).

**Absolute Return Investment Advisers (ARIA) Limited**  
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**Directors' Report for the Year Ended 31 March 2019**

**Disclosure of information to the auditors**

Each of the directors have taken 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 auditors are aware of that information. Each director confirms that there is no relevant information that they know of and of which they know the auditors are unaware.

**Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Warrener Stewart Chartered Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 11 July 2019 and signed on its behalf by:

.....  
M Brittain  
Chief executive

.....  
A McKenzie-Smart  
Director

**Absolute Return Investment Advisers (ARIA) Limited**  
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**Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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). 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 apply them consistently;
- make judgements and accounting 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; 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.

**Absolute Return Investment Advisers (ARIA) Limited**  
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**Independent Auditor's Report to the Members of Absolute Return Investment Advisers (ARIA) Limited**

**Opinion**

We have audited the financial statements of Absolute Return Investment Advisers (ARIA) Limited (the 'company') for the year ended 31 March 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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).

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.

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 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 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.

**Absolute Return Investment Advisers (ARIA) Limited**  
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**Independent Auditor's Report to the Members of Absolute Return Investment Advisers (ARIA) Limited**

**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.

**Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 and the 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 Statement of Directors' Responsibilities [set out on page 4], 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.



**Absolute Return Investment Advisers (ARIA) Limited**  
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**Independent Auditor's Report to the Members of Absolute Return Investment Advisers (ARIA) Limited**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 purpose 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

**Absolute Return Investment Advisers (ARIA) Limited**  
**trading as ARIA Capital Management**

**Independent Auditor's Report to the Members of Absolute Return Investment Advisers (ARIA) Limited**

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.

.....  
Colin Edney (Senior Statutory Auditor)

For and on behalf of Warrener Stewart Chartered Accountants, Statutory Auditor

Harwood House

43 Harwood Road

London

SW6 4QP

11 July 2019

**Absolute Return Investment Advisers (ARIA) Limited**  
trading as ARIA Capital Management

**Profit and Loss Account for the Year Ended 31 March 2019**

	Note	2019 £	2018 £
Turnover	<u>4</u>	2,899,246	2,433,593
Cost of sales		<u>(1,182,639)</u>	<u>(572,477)</u>
Gross profit		1,716,607	1,861,116
Administrative expenses		<u>(1,369,863)</u>	<u>(1,323,559)</u>
Operating profit	<u>5</u>	<u>346,744</u>	<u>537,557</u>
Interest payable and similar expenses	<u>6</u>	<u>(44,450)</u>	<u>(31,430)</u>
		<u>(44,450)</u>	<u>(31,430)</u>
Profit before tax		302,294	506,127
Taxation	<u>10</u>	<u>2,717</u>	<u>(80,770)</u>
Profit for the financial year		<u><u>305,011</u></u>	<u><u>425,357</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 13 to 21 form an integral part of these financial statements.

**Absolute Return Investment Advisers (ARIA) Limited**  
trading as ARIA Capital Management

**(Registration number: 07091239)**  
**Balance Sheet as at 31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	<u>11</u>	45,739	63,744
<b>Current assets</b>			
Debtors (including £2,300,792 which is due after one year)	<u>12</u>	4,258,266	1,147,043
Cash at bank and in hand		44,130	277,553
		4,302,396	1,424,596
<b>Creditors: Amounts falling due within one year</b>	<u>14</u>	(808,224)	(501,732)
<b>Net current assets</b>		3,494,172	922,864
<b>Total assets less current liabilities</b>		3,539,911	986,608
<b>Creditors: Amounts falling due after more than one year</b>	<u>14</u>	(2,300,792)	-
<b>Net assets</b>		1,239,119	986,608
<b>Capital and reserves</b>			
Called up share capital	<u>16</u>	73,636	73,636
Profit and loss account		1,165,483	912,972
<b>Total equity</b>		1,239,119	986,608

Approved and authorised by the Board on 11 July 2019 and signed on its behalf by:

.....  
M Brittain  
Chief executive

.....  
A McKenzie-Smart  
Director

The notes on pages 13 to 21 form an integral part of these financial statements.  
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**Absolute Return Investment Advisers (ARIA) Limited**  
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**Statement of Changes in Equity for the Year Ended 31 March 2019**

	Share capital £	Profit and loss account £	Total £
At 1 April 2018	73,636	912,972	986,608
Profit for the year	-	305,011	305,011
Total comprehensive income	-	305,011	305,011
Dividends	-	(52,500)	(52,500)
At 31 March 2019	73,636	1,165,483	1,239,119

  

	Share capital £	Profit and loss account £	Total £
At 1 April 2017	73,636	494,915	568,551
Profit for the year	-	425,357	425,357
Total comprehensive income	-	425,357	425,357
Dividends	-	(7,300)	(7,300)
At 31 March 2018	73,636	912,972	986,608

The notes on pages 13 to 21 form an integral part of these financial statements.  
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**Absolute Return Investment Advisers (ARIA) Limited**  
trading as ARIA Capital Management

**Statement of Cash Flows for the Year Ended 31 March 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Profit for the year		305,011	425,357
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	23,893	22,373
Finance costs	<u>6</u>	422	2
Income tax expense	<u>10</u>	<u>(2,717)</u>	<u>80,770</u>
		326,609	528,502
Working capital adjustments			
Increase in trade debtors	<u>12</u>	(3,111,223)	(434,550)
Increase in trade creditors	<u>14</u>	<u>326,559</u>	<u>151,946</u>
Cash generated from operations		(2,458,055)	245,898
Income taxes paid	<u>10</u>	<u>(17,350)</u>	<u>(10,858)</u>
Net cash flow from operating activities		<u>(2,475,405)</u>	<u>235,040</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(5,889)	(2,789)
<b>Cash flows from financing activities</b>			
Interest paid	<u>6</u>	(422)	(2)
Dividends paid		(52,500)	(7,300)
Long term liabilities		<u>2,300,792</u>	<u>-</u>
Net cash flows from financing activities		<u>2,247,870</u>	<u>(7,302)</u>
Net (decrease)/increase in cash and cash equivalents		(233,424)	224,949
Cash and cash equivalents at 1 April		<u>277,553</u>	<u>52,604</u>
Cash and cash equivalents at 31 March		<u><u>44,129</u></u>	<u><u>277,553</u></u>

The notes on pages 13 to 21 form an integral part of these financial statements.

**Absolute Return Investment Advisers (ARIA) Limited**  
**trading as ARIA Capital Management**

**Notes to the Financial Statements for the Year Ended 31 March 2019**

**1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Ground Floor  
2 Bell Court  
Leapale Lane  
Guildford  
Surrey  
GU1 4LY

These financial statements were authorised for issue by the Board on 11 July 2019.

**2 Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

**Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of investment management services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

**Tax**

The corporation tax expense for the period comprises current tax.

The current 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 taxable income.

**Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Absolute Return Investment Advisers (ARIA) Limited**  
**trading as ARIA Capital Management**

**Notes to the Financial Statements for the Year Ended 31 March 2019**

**Depreciation**

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Computer equipment	4 years straight line
Fixtures and fittings	5 years straight line
Website	2 years straight line

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call 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 change in value.

**Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.



**Absolute Return Investment Advisers (ARIA) Limited**  
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**Notes to the Financial Statements for the Year Ended 31 March 2019**

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**3 Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

Management considers the key estimates and judgements made in the financial statements to be related to:

- A. Valuation of the shares, securities and other assets held by the Company's investment funds which determine the Company's management and performance fees receivable.
- B. The timing of commissions and fees receivable from the Company's investment funds.
- C. The company has also included commissions receivable by the Company which are payable to the firm's introducers as income and associated costs during the year. Under these agreements the Company considers it is acting as principal with an agent to pay the introducer rather than as the introducers' agent.

**4 Revenue**

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Rendering of services	2,899,246	2,433,593

The analysis of the company's turnover for the year by class of business is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Investment Advisory	2,899,246	2,433,593

The analysis of the company's turnover for the year by market is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
UK	2,461,952	2,295,230
Rest of world	437,294	138,363
	2,899,246	2,433,593

**Absolute Return Investment Advisers (ARIA) Limited**  
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**Notes to the Financial Statements for the Year Ended 31 March 2019**

**5 Operating profit**

Arrived at after charging/(crediting)

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Depreciation expense	23,893	22,373

**6 Interest payable and similar expenses**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Interest expense on other finance liabilities	422	2
Foreign exchange (gains) / losses	44,028	31,428
	<u>44,450</u>	<u>31,430</u>

**7 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Wages and salaries	674,215	607,822
Social security costs	13,729	9,932
Pension costs, defined contribution scheme	4,658	2,247
Other employee expense	64,692	72,246
	<u>757,294</u>	<u>692,247</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2019</b> <b>No.</b>	<b>2018</b> <b>No.</b>
Administration and support	15	14

**Absolute Return Investment Advisers (ARIA) Limited**  
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**Notes to the Financial Statements for the Year Ended 31 March 2019**

**8 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration	75,987	54,989

**9 Auditors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	12,750	18,897

**10 Taxation**

Tax charged/(credited) in the income statement

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	61,139	101,755
UK corporation tax adjustment to prior periods	(63,856)	(20,985)
	(2,717)	80,770

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before tax	302,294	506,127
Corporation tax at standard rate	57,436	96,164
Effect of expense not deductible in determining taxable profit (tax loss)	282	1,870
Decrease in UK and foreign current tax from adjustment for prior periods	(63,856)	(20,985)
Tax increase from other short-term timing differences	3,421	3,721
Total tax (credit)/charge	(2,717)	80,770

**Absolute Return Investment Advisers (ARIA) Limited**  
trading as ARIA Capital Management

**Notes to the Financial Statements for the Year Ended 31 March 2019**

**11 Tangible assets**

	<b>Short leasehold land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Plant and machinery £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 April 2018	74,219	30,780	15,430	5,740	126,169
Additions	-	275	-	5,614	5,889
At 31 March 2019	74,219	31,055	15,430	11,354	132,058
<b>Depreciation</b>					
At 1 April 2018	29,688	14,729	15,430	2,579	62,426
Charge for the year	14,843	6,211	-	2,839	23,893
At 31 March 2019	44,531	20,940	15,430	5,418	86,319
<b>Carrying amount</b>					
At 31 March 2019	29,688	10,115	-	5,936	45,739
At 31 March 2018	44,531	16,051	-	3,162	63,744

Included within the net book value of land and buildings above is £29,688 (2018 - £44,532) in respect of short leasehold land and buildings.

**Absolute Return Investment Advisers (ARIA) Limited**  
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**Notes to the Financial Statements for the Year Ended 31 March 2019**

**12 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	108,541	84,199
Other debtors	4,095,743	994,840
Prepayments	53,982	68,004
	<u>4,258,266</u>	<u>1,147,043</u>
Less non-current portion	<u>(2,300,792)</u>	<u>-</u>
	<u><u>1,957,474</u></u>	<u><u>1,147,043</u></u>

**Details of non-current trade and other debtors**

£2,300,792 (2018 -£Nil) of other debtors are classified as non current.

**13 Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash on hand	134	60
Cash at bank	43,996	277,493
	<u>44,130</u>	<u>277,553</u>

**14 Creditors**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Due within one year</b>			
Trade creditors		278,222	261,815
Amounts due to related parties	<u>18</u>	377	48
Social security and other taxes		13,918	4,057
Outstanding defined contribution pension costs		4,283	402
Other payables		301,602	-
Accruals		110,654	116,175
Income tax liability	<u>10</u>	99,168	119,235
		<u>808,224</u>	<u>501,732</u>
<b>Due after one year</b>			
Other non-current financial liabilities		<u>2,300,792</u>	<u>-</u>

**Absolute Return Investment Advisers (ARIA) Limited**  
trading as ARIA Capital Management

**Notes to the Financial Statements for the Year Ended 31 March 2019**

**15 Pension and other schemes**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,658 (2018 - £2,247).

Contributions totalling £4,283 (2018 - £402) were payable to the scheme at the end of the year and are included in creditors.

**16 Share capital**

**Allotted, called up and fully paid shares**

	<b>2019</b>		<b>2018</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	73,636	73,636	73,636	73,636

**17 Obligations under leases and hire purchase contracts**

**Operating leases**

The total of future minimum lease payments is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Not later than one year	58,294	93,907
Later than one year and not later than five years	-	64,007
	<u>58,294</u>	<u>157,914</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £129,752 (2018 - £142,118 ).

**18 Related party transactions**

**Key management personnel**

Witan Partners Limited, a company in which the director David Brimacombe is also a director and Smart Accounting and Tax Solutions LLP a partnership in which Andrew McKenzie-Smart is a partner.

**Summary of transactions with key management**

Services provided to Absolute Return Investment Advisers (ARIA) Limited

**Absolute Return Investment Advisers (ARIA) Limited**  
**trading as ARIA Capital Management**

**Notes to the Financial Statements for the Year Ended 31 March 2019**

**Expenditure with and payables to related parties**

	<b>Key management £</b>
<b>2019</b>	
Rendering of services	<u>54,011</u>
<b>2018</b>	
Rendering of services	<u>62,652</u>

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