

Temporis Capital Limited

Company No. 09000848 (England & Wales)

Temporis Capital Limited
Annual Report and Audited Financial Statements
for the year ended 30 November 2020

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Temporis Capital Limited

COMPANY INFORMATION

Directors	David Watson Derry Guy Andres Senouf Ian Rosen Matthew Ridley
Company number	09000848
Registered office	7th Floor, Wellington House 125 – 130 Strand London W2CR 0AP
Auditor	MHA MacIntyre Hudson 6 th Floor 2 London Wall Place London EC2Y 5AU
Business address	7 th Floor, Wellington House 125-130 Strand London WC2R 0AP
Banker	Barclays Bank plc Onslow Hall Little Green Richmond TW9 1QS
Solicitors	Smith Hamilton Law Limited 16 Berkeley Street London W1J 8DZ Debevoise & Plimpton LLP 65 Gresham Street London EC2V 7NQ Arnold & Porter Kaye Scholer LLP Level 33, Citypoint 1 Ropemaker Walk London EC2Y 9UE Mishcon de Reya LLP Africa House 70 Kingsway London WC2B 6AH

Temporis Capital Limited

CONTENTS

	Page
Strategic report	1
Directors' report	3
Independent auditor's report	5
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 – 21

Temporis Capital Limited

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors present their strategic report for Temporis Capital Limited (the "Company") for the year ended 30 November 2020.

Principal activities and review of the business

The Company was incorporated on 16 April 2014 and was dormant and did not trade until 30 March 2017, on which date the Company acquired the business of Temporis Partners LLP (formerly Temporis Capital LLP) (the "LLP"). The Company obtained its authorisation from the Financial Conduct Authority (the "FCA") on 31 March 2017. Temporis Capital LLP was incorporated in 2005 and was authorised and regulated by the FCA from 17 March 2006 until its business was transferred to the Company in March 2017. The Company's business has therefore been in continuous operation since 2006. The purpose of the reorganisation of the business into a limited company from a limited liability partnership is to better serve its long-term growth.

As in prior years, the principal activity of the Company during the year ended 30 November 2020 was the provision of investment management and advisory services with a focus on the renewable energy sector. Other revenue includes arrangement fees, directors' fees and administration services income.

The directors expect the provision of investment management and advisory services to continue to be the Company's principal business for the foreseeable future.

The directors consider the Company's exposure to market risk (price, interest or foreign exchange risk), credit risk, liquidity risk or operational risk to be minimal, and consider the disclosure of information relating to their financial risk management objectives and policies not to be significant for the assessment of assets, liabilities, financial position and profit and loss of the Company. The Company's exposure to financial risks is regularly reviewed by the Company's Executive Committee and appropriate policies are adopted to mitigate these risks.

Results

The profit on ordinary activities after taxation for the year ended 30 November 2020 was £199,418 (2019: £1,105,003).

The statement of financial position as detailed on page 9 shows a satisfactory position. The net assets of the Company as at 30 November 2020 totalled £8,727,819 (2019: £8,528,401).

Principal risks and uncertainties

The principal risks affecting the Company relate to the performance of the funds under management and the impact that poor performance of these funds has on revenues and, longer-term, the ability to attract and retain investors in those funds.

Future developments

The Company will continue to focus on investment management and advisory services, particularly in the renewable energy sector, and will continue to seek opportunities to expand its business in this sector.

Key performance indicators

The key performance indicators of the Company relate to the performance of the underlying funds, the value of assets under management and the fees earned from other services.

Temporis Capital Limited

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a director of an entity to act in the way he or she considers, in good faith, would be most likely to promote the success of the entity for the benefit of its members as a whole. As part of his or her deliberations and decision making processes, the Directors take into account the following:

- (i) likely consequences of any decisions in the long term;
- (ii) the interests of the Company's employees;
- (iii) the need to foster the Company's business relationships with suppliers, customers and others;
- (iv) the impact of the Company's operations on the community and the environment; and
- (v) the desirability of the entity maintaining a reputation for high standards of business conduct and the need to comply with the rules of the Company's regulator, the UK Financial Conduct Authority.

The Directors recognise that building strong relationships with stakeholders will help deliver Temporis Capital Limited's strategy in line with its long-term values and is committed to effective engagement with the Company's stakeholders.

Accordingly, the Directors require management to ensure that all stakeholder interests are considered in the Company's day to day management and operations and seek to understand the relative interests and priorities of the various stakeholders and to have regard to these in their decision making. The Directors acknowledge, however, that not every decision will necessarily result in a positive outcome for all stakeholders.

As a result of these activities, the Directors believe that they have demonstrated compliance with their legal duty under s.172 of the Companies Act 2006.

This report was approved and signed on behalf of the directors by:



Derry Guy

23 March 2021

Temporis Capital Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors present their report and financial statements of Temporis Capital Limited for the year ended 30 November 2020.

Directors

The following directors have held office during the year ended 30 November 2020 and up to the date of approval of this report:

David Watson (Chairman)
Derry Guy
Andres Senouf
Ian Rosen
Matthew Ridley

Distributions

The directors have not proposed to pay a dividend in respect of the year ended 30 November 2020 (2019: Nil).

Going concern

The Company has sufficient liquid resources and ongoing contracts for the provision of investment management and advisory services, which are expected to continue for the foreseeable future. It is envisaged that the assets of the funds to which the Company provides services will be maintained at such a level that the related fee income will continue to exceed costs for the foreseeable future and at least during the next twelve months. This assessment takes into account the effects of the Covid 19 pandemic during the financial year and since the statement of financial position date and the Directors' assessment reflects the following:

- the Company's investment management contracts are long term and investment in the funds to which the contracts relate cannot be withdrawn in the short or medium term;
- the fund investments are renewable energy assets which generate secure cash flows, and commitments to invest further are from investors with large reserves, for example, pension funds and government bodies;
- the renewable energy assets are at remote locations in the UK and Ireland and require maintenance from a few individuals on site;
- the Directors have successfully implemented business continuity plans with staff working remotely;
- the Company has surplus regulatory capital and the Temporis group has substantial cash reserves and a strong balance sheet which is available to the Company should the need arise.

Accordingly, the going concern basis has been adopted in preparing the financial statements.

Principal risks and uncertainties

In accordance with section 414C (11) of the Companies Act 2006, the Company has opted to disclose its exposure to price risk, credit risk, liquidity risk and cash flow risk within the Strategic Report.

Auditor

MHA MacIntyre Hudson has indicated a willingness to continue in office and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Temporis Capital Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

Pillar 3 disclosure

The Company is required by its regulator, the Financial Conduct Authority, to make disclosures of its risk management, regulatory capital and remuneration policy available in accordance with Pillar 3 of the Capital Requirement Directive. These disclosures are available on the Company's website.

Charitable donations

During the year ended 30 November 2020 the Company made charitable donations of £20,208 (2019: £nil).

Directors' responsibility statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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, to disclose with reasonable accuracy at any time the financial position of the Company and to 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.

This report was approved and signed on behalf of the directors by:



Derry Guy

23 March 2021

Independent auditor's report to the members of Temporis Capital Limited

Opinion

We have audited the financial statements of Temporis Capital Limited (the "Company") for the year ended 30 November 2020, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2020, 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

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of Temporis Capital Limited (continued)

Other information

The directors are responsible for the other information included in the strategic report and directors' 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 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.

Opinions on matters prescribed by the Companies Act 2006

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

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

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 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.



Independent auditor's report to the members of Temporis Capital Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance, around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Geeta Morgan, Senior statutory auditor

For and on behalf of
MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditors
London, United Kingdom

23 March 2021

Temporis Capital Limited

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2020

	Note	2020 £	2019 £
Turnover	4	4,239,623	5,420,873
Administrative expenses	5	(4,197,623)	(4,037,435)
Operating profit and profit on ordinary activities before taxation	6	42,000	1,383,438
Interest receivable		2,699	-
Interest payable and similar charges		-	(23,760)
Profit before taxation		44,699	1,359,678
Tax on profit on ordinary activities	9	154,719	(254,675)
Profit on ordinary activities after taxation		199,418	1,105,003

All amounts are in respect of continuing activities.

Other comprehensive income

There were no other items of comprehensive income in the current or prior year other than the profit for the year shown above.

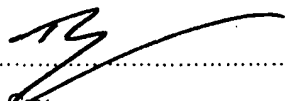
The notes on pages 12 to 21 form part of these financial statements.

Temporis Capital Limited

STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2020

		2020	2019
	Note	£	£
Fixed assets			
Tangible fixed assets	10	164,389	104,860
Current assets			
Debtors	11	8,927,111	9,373,130
Cash at bank and in hand		<u>592,186</u>	<u>706,972</u>
		9,519,297	10,080,102
Creditors: amounts falling due within one year	12	<u>(943,840)</u>	<u>(1,656,561)</u>
Net current assets		<u>8,575,457</u>	<u>8,423,541</u>
Total assets less current liabilities		8,739,846	8,528,401
Provisions for liabilities:			
Deferred tax	13	(12,027)	-
Net assets		<u>8,727,819</u>	<u>8,528,401</u>
Capital and reserves			
Called up share capital	14	499,998	499,998
Share premium account	14	637,078	637,078
Retained earnings		7,140,743	6,941,325
Equity loan	2.10	<u>450,000</u>	<u>450,000</u>
		<u>8,727,819</u>	<u>8,528,401</u>

The financial statements were approved by the Board on 23 March 2021 and authorised for issue on their behalf by:


Derry Coy

Director
Temporis Capital Limited
Registered number: 09000848 (England & Wales)

The notes on pages 12 to 21 form part of these financial statements.

Temporis Capital Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2020

	Called up share capital £	Share Premium account £	Retained earnings £	Equity loan £	Shareholders' equity £
At 1 December 2019	499,998	637,078	6,941,325	450,000	8,528,401
Comprehensive income for the year:					
Profit for the year	-	-	199,418	-	199,418
Total comprehensive income for the year	-	-	199,418	-	199,418
At 30 November 2020	499,998	637,078	7,140,743	450,000	8,727,819

	Called up share capital £	Share Premium account £	Retained earnings £	Equity loan £	Shareholders' equity £
At 1 December 2018	499,998	637,078	5,836,322	450,000	7,423,398
Comprehensive income for the year:					
Profit for the year	-	-	1,105,003	-	1,105,003
Total comprehensive income for the year	-	-	1,105,003	-	1,105,003
At 30 November 2019	499,998	637,078	6,941,325	450,000	8,528,401

The notes on pages 12 to 21 form part of these financial statements.

Temporis Capital Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2020

	2020 £	2019 £
Cash used in operating activities		
Profit for the year	199,418	1,359,678
Adjustments for:		
Interest received	(2,699)	-
Interest paid	-	23,760
Taxation	(154,719)	254,675
Depreciation	52,206	58,004
Decrease/(increase) in debtors	446,019	(1,976,760)
Decrease in creditors	(700,694)	(661,885)
Cash used in operations	(160,469)	(1,197,203)
Interest received	2,699	-
Interest paid	-	(23,760)
Taxes paid	154,719	(254,675)
Net cash used in operating activities	(3,051)	(1,475,638)
Cash flows from investing activities		
Purchase of tangible fixed assets	(111,735)	(31,583)
Net cash used in investing activities	(111,735)	(31,583)
Net decrease in cash and cash equivalents	(114,786)	(1,507,221)
Cash and cash equivalents at beginning of the year	706,972	2,214,193
	592,186	706,972
Cash and cash equivalents at 30 November comprise:		
Cash at bank and in hand	592,186	706,972

The Company has no borrowings and therefore no net debt reconciliation has been presented.

The notes on pages 12 to 21 form part of these financial statements.

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

1. GENERAL INFORMATION

Temporis Capital Limited (the "Company") is a private company limited by shares, registered in England and Wales. The address of the registered office and place of business is 7th Floor, Wellington House, 125 – 130 Strand, London, WC2R 0AP.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with UK accounting standards incorporating Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and 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. See note 3.

The following principal accounting policies have been applied:

2.2 Revenue recognition

Revenue is recognised on an accruals basis to the extent that it is probable that future economic benefits will flow to the Company and the revenue can be reliably measured,

Due to the unpredictable nature of financial markets, performance fees are accrued for only when they crystallise at the end of the performance measurement period.

2.3 Expenses

Expenses are recognised on an accruals basis.

2.4 Tangible fixed assets and depreciation

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

Repairs and maintenance are charged to the Statement of comprehensive income during the period in which they are incurred.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery: 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if there is an indication of a significant change since the last reporting date.

Any gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

2. ACCOUNTING POLICIES (continued)

2.5 Operating leases

Operating leases are those leases where an entity has use of an asset but where the significant risks and rewards remain with the lessor. Payments and receipts made under operating leases are recognised as income or expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

2.6 Foreign currencies

The functional and presentation currency is Pounds Sterling, being the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Statement of financial position are translated using the rate of exchange prevailing at that date.

Any gains and losses arising from a change in exchange rates are included as an exchange gain or loss in the Statement of comprehensive income.

2.7 Taxation

Provision is made for corporation tax in the Statement of comprehensive income calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2.8 Pensions

The Company operates a defined contribution pension scheme. Contributions are recognised in the Statement of comprehensive income as they become payable in accordance with the rules of the scheme.

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

2. ACCOUNTING POLICIES (continued)

2.9 Financial Instruments

Financial assets

The Company's financial assets comprise basic financial instruments, being trade and other receivables and cash balances.

Cash is represented by deposits with financial institutions, repayable without penalty on notice of no more than 24 hours, and cash in hand.

Trade and other receivables are measured, initially, at transaction price and thereafter at the amount of cash or other consideration expected to be received, less any impairment (amortised cost). Any impairment loss is recognised in the Statement of comprehensive income.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

Impairment

An impairment loss is measured as the difference between an asset's carrying amount and the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities

The Company's financial liabilities comprise of basic financial liabilities, being trade and other payables. These are measured initially at transaction price and thereafter at the amount of cash or other consideration expected to be paid (amortised cost).

Trade payables 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 as payment is due within one year.

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

Offsetting

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

2.10 Equity loan

The Company has a loan of £450,000 from Temporis Limited and is measured at the amount of cash received less any transaction costs. The loan is interest free and, except on the winding up of the Company, any repayment is at the discretion of the Company. In accordance with FRS 102, the loan is classified as equity.

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

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 amounts reported for assets and liabilities as at the date of the Statement of financial position and the amounts reported for revenue and expenses during the year.

Critical judgements in applying the entity's accounting policies

The Directors have carefully considered the adoption of the going concern concept in preparing the financial statements, particularly in light of the effects of the covid 19 pandemic in the financial year and since the statement of financial position date. Their assessment reflects the following:

- the Company's investment management contracts are long term and investment in the funds to which the contracts relate cannot be withdrawn in the short or medium term;
- the fund investments are renewable energy assets which generate secure cash flows, and commitments to invest further are from investors with large reserves, for example, pension funds and government bodies;
- the renewable energy assets are at remote locations in the UK and Ireland and require maintenance from a few individuals on site;
- the Directors have successfully implemented business continuity plans with staff working remotely;
- the Company has surplus regulatory capital and the Temporis group has substantial cash reserves and a strong balance sheet which is available to the Company should the need arise.

The Directors conclude that the Company has sufficient liquid resources and ongoing contracts for the provision of investment management and advisory services, which are expected to continue for the foreseeable future. It is envisaged that the assets of the funds to which the Company provides services will be maintained at such a level that the related fee income will continue to exceed costs for the foreseeable future and at least during the next twelve months.

Accordingly, the going concern basis has been adopted in preparing the financial statements.

The Directors have not been required to make any other critical judgements in applying the accounting policies.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year are addressed below.

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

4. REVENUE

<i>Area of activity</i>	2020	2019
	£	£
Investment management and advisory	3,380,294	4,587,062
Other revenue	859,329	833,811
	<u>4,239,623</u>	<u>5,420,873</u>

Other revenue comprises directors' fees and income from rental and administration services.

<i>Geographical area</i>	2020	2019
	£	£
United Kingdom	2,473,417	4,012,950
Rest of Europe	1,766,206	1,407,923
	<u>4,239,623</u>	<u>5,420,873</u>

5. ADMINISTRATIVE EXPENSES

Administrative expenses include salary costs, other professional fees, rent, market data services and foreign exchange gains and losses.

6. OPERATING PROFIT

	2020	2019
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	52,206	58,004
Loss on foreign exchange transactions	5,037	42,473
Operating lease rentals	306,917	316,070
Auditor's remuneration – audit services	<u>14,500</u>	<u>15,500</u>

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

7. EMPLOYEES

The average number of people employed by the Company during the year ended 30 November 2020, including the directors, was:

	2020	2019
	£	£
Directors	5	5
Administrative	7	9
Investment professionals	17	17
	<u>29</u>	<u>31</u>

The aggregate payroll costs incurred during the year ended 30 November 2020 were:

	2020	2019
	£	£
Wages and salaries	2,146,469	1,860,315
Social security costs	344,635	366,724
Pension contributions	245,033	172,052
Other benefits	142,771	96,108
	<u>2,878,908</u>	<u>2,495,199</u>

8. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services during the year ended 30 November 2020 was:

	2020	2019
	£	£
Remuneration	<u>524,036</u>	<u>523,756</u>

The highest paid director received remuneration of £109,093 during the year ended 30 November 2020 (2019: £109,200).

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

9. TAXATION

a) Tax on profit for the year

	2020 £	2019 £
Current tax (credit)/charge	(166,746)	254,675
Origination and reversal of timing differences	12,027	-
Total tax (credit)/charge	(154,719)	254,675

b) Factors affecting tax charge for the year

The tax assessed on the profit for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
Profit before taxation	44,699	1,359,678
Profit before taxation multiplied by the standard rate of tax of 19% (2019: 19%)	8,493	258,339
Disallowed expenses	4,901	4,516
Depreciation in excess of capital allowances	-	1,311
Capital allowances in excess of depreciation	(14,265)	-
Accelerated capital allowances	12,193	-
Utilisation of group tax relief	(175,215)	-
Tax charge under/(over) accrued in the prior year	9,174	(9,491)
Total tax (credit)/ charge	(154,719)	254,675

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

10. TANGIBLE FIXED ASSETS

	Plant and machinery £
Cost	
At 1 December 2019	352,487
Additions	<u>111,735</u>
At 30 November 2020	<u>464,222</u>
Depreciation	
At 1 December 2019	247,627
Charge for the year	<u>52,206</u>
At 30 November 2020	<u>299,833</u>
Net book value	
At 30 November 2020	<u>164,389</u>
At 30 November 2019	<u>104,860</u>

11. DEBTORS

	2020 £	2019 £
Trade receivables	147,463	644,509
Amounts receivable from related parties	7,860,733	8,326,625
Prepayments and accrued income	779,141	249,652
Other debtors	<u>139,774</u>	<u>152,344</u>
	<u>8,927,111</u>	<u>9,373,130</u>

Included in other debtors is a rent deposit for £51,263 (2019: £150,000) that is due after more than one year.

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	174,777	75,986
Taxes and social security costs	81,522	146,725
Corporation tax	-	264,481
Amounts due to related parties	-	11,792
Accruals and deferred income	687,541	1,157,577
	<u>943,840</u>	<u>1,656,561</u>

Included within trade creditors is a pension contribution payable of £26,358 (2019: £10,434).

13. PROVISIONS FOR LIABILITIES: DEFERRED TAX

	2020 £	2019 £
At beginning of the year	-	-
Charged to profit and loss	12,027	-
At the year end	<u>12,027</u>	<u>-</u>

The provision for deferred tax is made up of accelerated capital allowances.

14. SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
272,935 A shares of £1.374	375,013	375,013
90,985 B shares of £1.00	90,985	90,985
136,000 C shares of £0.25	34,000	34,000
	<u>499,998</u>	<u>499,998</u>

The Company's A shares were issued at a premium of 233.4175p per share.

The A, B and C shares are ordinary shares and have equal voting rights. The Company may, with the consent of not less than 60% of the shareholders:

- declare a different dividend or interim dividend per share for each class of share; and/or
- vary or abrogate the special rights attached to any class of share.

Temporis Capital Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 (continued)

15. FINANCIAL COMMITMENTS

At 30 November 2020 the Company total future financial commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2020	2019
	£	£
Operating lease commitments:		
Within one year	247,490	238,962
Between two and five years	247,490	-
	<u>494,980</u>	<u>238,962</u>

16. RELATED PARTY TRANSACTIONS

Temporis Limited is the ultimate controlling party of the Company.

During the year the Company advanced loans to Temporis Limited which netted to £1,546,718. As at 30 November 2020 the amount outstanding from Temporis Limited to the Company was £7,422,472 (2019: £5,875,754). See note 2.10 for details of the loan from Temporis Limited to the Company.

Candelia Limited is a related party as it is the Company's immediate parent company. As at 30 November 2020, the Company was owed £43,049 by Candelia Limited (2019: the Company owed £11,792 to Candelia Limited).

Thalia Power Limited is a related party as it is under common ownership with the Company. During the year ended 30 November 2020 the Company earned £606,138 from providing administration services to Thalia Power Limited (2019: £512,627). At 30 November 2020, the Company was owed £395,212 by Thalia Power Limited (2019: £425,382).

Temporis Investment Management Limited, a company incorporated in Ireland, is a related party as it is under common ownership with the Company. During the year ended 30 November 2020 the Company earned £1,766,206 from providing advisory services to Temporis Investment Management Limited (2019: £875,608). As at 30 November 2020 there were no amounts receivable or payable between the Company and Temporis Investment Management Limited (Ireland) (2019: £nil).

Ohme Operations UK Limited is a related party of the Company given they have the same ultimate shareholders and have directors in common. On 31 January 2020 the Company transferred a business as a going concern to Ohme Operations UK Limited for a consideration of £2,334,081. The amount of the consideration is included in amounts receivable from Temporis Limited. During the year ended 30 November 2020 the Company recharged expenses of £864,130 (inclusive of VAT) to Ohme Operations UK Limited. As at 30 November 2020 an amount of £132,344 (inclusive of VAT) was outstanding to the Company from Ohme Operations UK Limited and is included in trade creditors in note 12.

Key management are considered to be the directors of the Company – see note 8 for disclosure of directors' remuneration.