

Devon Equity Management Limited

Annual Report and Financial Statements
for the Period from 11 April 2019 to 31 December 2019

Devon Equity Management Limited

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Devon Equity Management Limited

Company Information

Directors	Mr Alexander Darwall Mr Luca Emo Capodilista Mr Simon Troughton Mr Richard Pavry
Registered number	11939535
Registered office	123 Victoria Street London SW1E 6DE
Accountants	Changing Lanes Services LLP Chartered Accountants First Floor Spitalfields House Stirling Way Borehamwood Herts WD6 2FX
Auditors	HW Fisher Chartered Accountants Acre House 11-15 William Road London NW1 3ER

Devon Equity Management Limited

Strategic Report for the Period from 11 April 2019 to 31 December 2019

The directors present their strategic report for the period from 11 April 2019 to 31 December 2019.

Principal activity

The principal activity of the company is that of fund management.

Fair review of the business

The Directors are satisfied that the results for the year are broadly in line with their expectations.

The loss for the financial period amounted to £81,527, representing the non-recurring establishment costs for the company.

The company has been authorised and regulated by the Financial Conduct Authority since 11 November 2019.

Revenues during the period were £533,335, representing the reduced management fees attributable to Jupiter European Opportunities Trust plc (JEO) up until 31 May 2020 and full fees attributable to the institutional client for the period from the commencement of fund management activities by the company on 15 November 2019, to the financial year end. Market circumstances permitting, revenues are projected to generate a gross profit in the current financial year ending 31 December 2020. The company is taking steps to diversify its business and has launched a Luxembourg-domiciled SICAV subsequent to the financial year end.

Key Performance Indicator

The directors consider that management fee revenues are the company's key performance indicator in relation to the financial period under review.

The company signed investment management agreements during the financial period under review which will generate management fees which are expected to exceed the company's operating costs on an annualised basis. In particular, it has been publicly disclosed to the London Stock Exchange that the fee payable by the investment trust client will increase from 10bp per annum of net assets to 90bp of net assets per annum with effect from 31 May 2020. The net assets of the investment trust were £822 million as at 31 March 2020, being the latest practicable date prior to this report. Management fees were also accrued in relation to the company's segregated institutional client during the financial period under review.

Devon Equity Management Limited

Strategic Report for the Period from 11 April 2019 to 31 December 2019

Principal risks and uncertainties

Devon, like all companies, faces a range of risks and uncertainties. The following are the main areas of risk and how we are mitigating them:

Economic, Political and Regulatory Risks

Like all fund management companies, we are at risk of a general downturn in world economies and stock markets that might affect the companies in which we invest the money entrusted to us by investors. The current COVID-19 pandemic represents such a scenario.

We mitigate these risks by having fund management personnel who have a track record of successful investment in all economic and market conditions, and whose investment processes have proven successful over time.

The directors are continuously reviewing known economic, political and regulatory risks and watching for new risks, so that we can be proactive in addressing them in a controlled and timely manner.

Foreign Exchange Risk

The Company earns fees in Swiss francs from its segregated institutional client. The Company's policy is to hold only a minimum amount of currency to cover operational needs and therefore converts foreign currency on receipt. Direct exposure is therefore limited to the short-term outstanding currency fee debts at any time. The Company does not hedge this risk.

Interest Rate Risk

The Company has no interest-bearing debt. The Company is only exposed to interest rate risk in the level of return it earns on its cash deposits (currently nil).

Credit Risk

The Company has implemented policies that require appropriate credit checks on customers. The Company is also directly exposed to credit risk in the placement of its cash deposits. The Company's policy is to place deposits only with financial institutions which satisfy minimum ratings and other criteria set by the board from time to time. All such cash deposits are currently placed with HSBC.

Key man risk

Our main operational risk is the risk of losing fund management personnel. We have mitigated that risk by taking steps to ensure we have proper succession planning in place (with the recruitment since the financial year end of Charlie Southern in a senior analyst role), and to ensure that the business is not dependent for its success on any one person or client.

Market Risk

The Company operates in a competitive environment and the business is reliant on continuing demand for its investment products, which is influenced by several factors including investment performance and retention of key personnel. The industry is sensitive to economic, political and market factors.

The whole of the company's assets under management are invested in equities and therefore the Company's profits are sensitive to fluctuations in equity markets.

Taxation, legal and regulatory factors also influence the markets in which the Company operates. The industry is highly regulated and change in laws and regulations governing the industry could have an adverse effect on the Company.

Like all businesses we face risk of all types, both internal and external. We assess the risks and their elimination or mitigation and control on a rolling basis throughout the year. We are also required by our FCA authorisation to have risk identification and control documentation and processes, and we are subject to annual inspection and testing by the AIFM to JEO.

Devon Equity Management Limited

Strategic Report for the Period from 11 April 2019 to 31 December 2019

Corporate governance

We are pleased to welcome Simon Troughton to the company's board of directors in his role as chairman.

Simon Troughton will bring extensive experience to bear as we evolve our corporate governance in keeping with our business growth.

Section 172(1) statement

Section 414CZA(1) of the Companies Act 2006 requires the directors to explain how they considered the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ('S172 (1)') when performing their duty to promote the success of the company. When making decisions, each director ensures that they act in the way that would most likely promote the company's success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following matters:

(a) The likely consequences of any decision in the long term

The directors understand the business and the evolving environment in which the company operates, including the challenges of operating in a regulated sector.

The company commenced preparations for the creation of an open-ended fund in Luxembourg during the year under review, which has been launched subsequent to the year end. This launch was intended to enable the company's core European equities investment strategy to be offered to institutional investors for whom the investment trust may not be a suitable vehicle. It is anticipated that the new fund – Devon Equity Funds RAIF – European Opportunities - will grow in assets under management and, in late 2021, it is intended that it should be converted to UCITS format for distribution to a wider audience of retail and other investors. This launch is intended and expected to broaden and diversify the company's client base.

(b) The interests of the company's employees

The directors recognise that the success of the business depends on attracting, retaining and motivating high quality employees. The directors take into account the implications of decisions which may affect their perception as a responsible employer, on determining remuneration and benefits, and on providing a healthy and safe workplace environment, where relevant.

All employees have been engaged on competitive terms in relation to reward and benefits, measured by reference to comparable roles elsewhere. The board has resolved to implement a formal annual review process for each employee in the new financial year so as create an opportunity for engagement and feedback between the directors and employees.

(c) The need to foster the company's business relationships with suppliers, customers and others

The directors seek to promote strong mutually beneficial relationships with suppliers, customers, the regulators and authorities. Such general principles are critical in the delivery of the company's strategy.

Strong relationships have been established or novated in the context of the company's launch with all key service providers to the company and its clients. These have been engaged on reasonable commercial terms with the intention of fostering long term relationships with the parties concerned. The company has, notably, been successful in recreating substantially the same availability of investment research and corporate access as that which was available to the investment team at their former employer.

The investment team have undertaken a comprehensive roadshow to existing and prospective investors in the investment trust, the RAIF and with the trustees for the company's segregated investment mandate. These meetings, and related marketing activities, have been critical to ensuring their continued support under the company's new management.

Relations with the regulator have been constructive and the board was pleased to receive its regulated status in accordance with its preferred timetable for the launch of the company in November 2019.

Devon Equity Management Limited

Strategic Report for the Period from 11 April 2019 to 31 December 2019

(d) The impact of the company's operations on the community and the environment

The company is committed to understanding the interests of these stakeholder groups. The directors receive information on these topics on a periodic basis to provide relevant information for specific board decisions.

The company has, subsequent to the year end, published updated environment, social and governance (ESG) policies and its policies on engagement pursuant to the Stewardship Code. Consideration of these matters forms part of the standing agenda for the company's board meetings.

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The directors recognise the importance of acting in ways which promote high standards of business conduct. The board periodically reviews and approves clear operating frameworks, as set out in its published policies, its compliance manual and in its internal procedural codes to ensure that its high standards are maintained both within the businesses and the business relationships the company has with stakeholders. The directors intend that these policies and values should be embedded within the culture of the business.

(f) The need to act fairly as between members of the company

The directors aim to act fairly as between the company's members when delivering the company's strategy.

The company had three members during the year under review. Measures are codified in the company's articles of association to protect the interests of minority holders.

Approved by the Board on 24 April 2020 and signed on its behalf by:

.....
Mr Richard Pavry
Director

Devon Equity Management Limited

Directors' Report for the Period from 11 April 2019 to 31 December 2019

The directors present their report and the financial statements for the period from 11 April 2019 to 31 December 2019.

Incorporation

The company was incorporated and commenced trading on 11 April 2019.

Directors of the company

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

Mr Alexander Darwall (appointed 9 May 2019)

Mr Luca Emo Capodilista (appointed 9 May 2019)

Mr Simon Troughton (appointed 1 October 2019)

Mr Richard Pavry (appointed 9 May 2019)

Mr Nigel Farr (appointed 11 April 2019 and ceased 9 May 2019)

Financial instruments

Objectives and policies

Our primary objective for the future of the business is to continue to focus on delivering good investment performance for our investors, so that they continue to entrust their money to us and possibly contribute more in future.

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

Refer to the Strategic Report for details of the Company's principal risks.

Going concern

The Directors are confident that the company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Post balance sheet events

The directors have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in early 2020 with regard to the company's activities. The directors expect the company's business to be affected by the ensuing fall in equity markets, however they consider that the outbreak is not likely to cause significant lasting disruption to the company's trade.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

HW Fisher were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they will be re-appointed will be put to the members.

Devon Equity Management Limited

Directors' Report for the Period from 11 April 2019 to 31 December 2019

Approved by the Board on 24 April 2020 and signed on its behalf by:

.....
Mr Richard Pavry
Director

Devon Equity Management Limited

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.

Devon Equity Management Limited

Independent Auditor's Report to the Members of Devon Equity Management Limited

Opinion

We have audited the financial statements of Devon Equity Management Limited (the 'company') for the period from 11 April 2019 to 31 December 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the period 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.

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.

Devon Equity Management Limited

Independent Auditor's Report to the Members of Devon Equity Management Limited

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 period 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 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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.

Devon Equity Management Limited

Independent Auditor's Report to the Members of Devon Equity Management Limited

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Gilles Siow (Senior Statutory Auditor)

For and on behalf of HW Fisher, Chartered Accountants, Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

24 April 2020

Devon Equity Management Limited

Profit and Loss Account for the Period from 11 April 2019 to 31 December 2019

	Note	2019 £
Turnover	<u>3</u>	<u>533,335</u>
Gross profit		533,335
Administrative expenses		<u>(614,862)</u>
Operating loss	<u>4</u>	<u>(81,527)</u>
Loss before tax		<u>(81,527)</u>
Loss for the financial period		<u><u>(81,527)</u></u>

The above results were derived from continuing operations.

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

The notes on pages 17 to 24 form an integral part of these financial statements.

Devon Equity Management Limited

Statement of Comprehensive Income for the Period from 11 April 2019 to 31 December 2019

	2019 £
Loss for the period	<u>(81,527)</u>
Total comprehensive income for the period	<u><u>(81,527)</u></u>

The notes on pages 17 to 24 form an integral part of these financial statements.

Devon Equity Management Limited
(Registration number: 11939535)
Balance Sheet as at 31 December 2019

	Note	2019 £
Fixed assets		
Tangible assets	<u>8</u>	59,605
Current assets		
Debtors	<u>9</u>	836,274
Cash at bank and in hand		<u>767,082</u>
		1,603,356
Creditors: Amounts falling due within one year	<u>11</u>	<u>(744,488)</u>
Net current assets		<u>858,868</u>
Net assets		<u><u>918,473</u></u>
Capital and reserves		
Called up share capital		1,000,000
Profit and loss account		<u>(81,527)</u>
Total equity		<u><u>918,473</u></u>

Approved and authorised by the Board on 24 April 2020 and signed on its behalf by:

.....

Mr Richard Pavry
Director

The notes on pages 17 to 24 form an integral part of these financial statements.
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Devon Equity Management Limited

Statement of Changes in Equity for the Period from 11 April 2019 to 31 December 2019

	Share capital £	Profit and loss account £	Total £
Loss for the period	-	(81,527)	(81,527)
Total comprehensive income	-	(81,527)	(81,527)
New share capital subscribed	1,000,000	-	1,000,000
At 31 December 2019	1,000,000	(81,527)	918,473

The notes on pages 17 to 24 form an integral part of these financial statements.

Devon Equity Management Limited

Statement of Cash Flows for the Period from 11 April 2019 to 31 December 2019

	Note	2019 £
Cash flows from operating activities		
Loss for the period		(81,527)
Adjustments to cash flows from non-cash items		
Depreciation	<u>4</u>	<u>4,422</u>
		(77,105)
Working capital adjustments		
Increase in debtors	<u>9</u>	(836,274)
Increase in creditors	<u>11</u>	<u>744,488</u>
Net cash flow from operating activities		(168,891)
Cash flows from investing activities		
Acquisitions of tangible assets		(64,027)
Cash flows from financing activities		
Proceeds from issue of ordinary shares		<u>1,000,000</u>
Net increase in cash and cash equivalents		767,082
Cash at bank and in hand 11 April		<u>-</u>
Cash at bank and in hand 31 December		<u><u>767,082</u></u>

The notes on pages 17 to 24 form an integral part of these financial statements.

Devon Equity Management Limited

Notes to the Financial Statements for the Period from 11 April 2019 to 31 December 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:

123 Victoria Street
London
SW1E 6DE

These financial statements were authorised for issue by the Board on 24 April 2020.

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.

Presentation currency is Great British Pound sterling £.

Going concern

As stated in note 18 the directors have considered the effect of the Covid-19 outbreak. The directors consider that, although the outbreak is likely to cause some disruption to the company's business, they are confident that the company can continue as a going concern for a period of at least twelve months from the date approval of these financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to be any key judgements or sources of estimation uncertainty which are material to the accounts.

Revenue recognition

Turnover, being investment management fees, comprises the fair value of the consideration received or receivable for the service provided in the ordinary course of the company's activities. Fees are calculated monthly as a percentage of assets under management. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Devon Equity Management Limited

Notes to the Financial Statements for the Period from 11 April 2019 to 31 December 2019

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.

Depreciation

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

Asset class	Depreciation method and rate
Office Equipment	33.33% straight line

Financial instruments

Classification

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Recognition and measurement

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Impairment

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from related parties, 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. Financial liabilities classified as payable within one year are not amortised.

Devon Equity Management Limited

Notes to the Financial Statements for the Period from 11 April 2019 to 31 December 2019

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.

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 Revenue

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

	11 April 2019 to 31 December 2019 £
Rendering of services	533,335

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

	11 April 2019 to 31 December 2019 £
UK	122,012
Europe	411,323
	533,335

Devon Equity Management Limited

Notes to the Financial Statements for the Period from 11 April 2019 to 31 December 2019

4 Operating loss

Arrived at after charging/(crediting)

	11 April 2019 to 31 December 2019 £
Depreciation expense	4,422
Operating lease expense - property	65,540
	<hr/> <hr/>

5 Staff costs

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

	11 April 2019 to 31 December 2019 £
Wages and salaries	100,855
Social security costs	6,399
Pension costs, defined contribution scheme	2,625
	<hr/> <hr/>
	109,879

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

	2019 No.
Administration and support	3
	<hr/> <hr/>

6 Directors' remuneration

The directors' remuneration for the period was as follows:

	11 April 2019 to 31 December 2019 £
Remuneration	35,179
	<hr/> <hr/>

7 Auditors' remuneration

	11 April 2019 to 31 December 2019 £
Audit of the financial statements	8,750
	<hr/> <hr/>

Devon Equity Management Limited

Notes to the Financial Statements for the Period from 11 April 2019 to 31 December 2019

8 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
Additions	64,027	64,027
At 31 December 2019	64,027	64,027
Depreciation		
Charge for the period	4,422	4,422
At 31 December 2019	4,422	4,422
Carrying amount		
At 31 December 2019	59,605	59,605

9 Debtors

	31 December 2019 £
Other debtors	109,344
Prepayments	193,595
Accrued income	533,335
Total current trade and other debtors	836,274

10 Cash at bank and in hand

	31 December 2019 £
Cash at bank	767,082

Devon Equity Management Limited

Notes to the Financial Statements for the Period from 11 April 2019 to 31 December 2019

11 Creditors

	Note	31 December 2019 £
Due within one year		
Trade creditors		100,350
Amounts due to related parties	<u>16</u>	599,200
Social security and other taxes		26,204
Outstanding defined contribution pension costs		3,885
Other payables		1,318
Accrued expenses		<u>13,531</u>
		<u>744,488</u>

12 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £2,625.

Contributions totalling £3,885 were payable to the scheme at the end of the period and are included in creditors.

13 Share capital

Allotted, called up and fully paid shares

	No.	2019 £
A Ordinary of £1 each	800,000	800,000
B Ordinary of £1 each	100,000	100,000
C Ordinary of £1 each	100,000	100,000
	<u>1,000,000</u>	<u>1,000,000</u>

Shares allotted during the period

On incorporation of the company 1 Ordinary share was allotted at par with a nominal value of £1.

On 9 May 2019 9 further Ordinary shares were allotted at par with a nominal value of £1 each.

On 7 November 2019 8 Ordinary shares were redesignated as Ordinary A shares, 1 Ordinary share was redesignated as 1 Ordinary B share and 1 Ordinary share was redesignated as 1 Ordinary C share.

On 7 November 2019 799,992 Ordinary A shares, 99,999 Ordinary B shares and 99,999 Ordinary C shares were allotted at par with a nominal value of £1 each.

Devon Equity Management Limited

Notes to the Financial Statements for the Period from 11 April 2019 to 31 December 2019

Rights, preferences and restrictions

All shares have attached to them full voting, dividend and capital distribution (including on winding up) rights and rank pari passu. They do not confer any rights of redemption.

14 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2019 £
Not later than one year	223,171
Later than one year and not later than five years	148,781
	<u>371,952</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £65,540 .

15 Analysis of changes in net debt

	At 11 April 2019 £	Financing cash flows £	At 31 December 2019 £
Cash at bank and in hand	<u>-</u>	<u>767,082</u>	<u>767,082</u>

16 Related party transactions

Loans from related parties

	Key management £	Total £
2019 Advanced	<u>599,200</u>	<u>599,200</u>

Terms of loans from related parties

Included within creditors amount falling due within one year, is an amount of £599,200 owed to the directors. These amounts are interest free and are not repayable if doing so could affect compliance with the FCA handbook. These balances arose due to financing transactions in the year.

17 Parent and ultimate parent undertaking

The ultimate controlling party is A Darwall by virtue of shareholding.

Devon Equity Management Limited

Notes to the Financial Statements for the Period from 11 April 2019 to 31 December 2019

18 Post balance sheet events

The directors have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in early 2020 with regard to the company's activities. The directors expect the company's business to be affected by the ensuing fall in equity markets, however they consider that the outbreak is not likely to cause significant lasting disruption to the company's trade.

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