

AIKYA INVESTMENT MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

AIKYA INVESTMENT MANAGEMENT LIMITED

COMPANY INFORMATION

DIRECTORS

I Macoun
A Ihlenfeldt
T J Allen
R M Desai
A Swarup

REGISTERED NUMBER

12329682

REGISTERED OFFICE

C/O Norose Company Secretarial Services Ltd
3 More London Riverside
London
SE1 2AQ

INDEPENDENT AUDITORS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

INTRODUCTION

We aim to present a balanced and comprehensive report on the development and performance of our business during the year and its position at year end.

Our report is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties we face.

BUSINESS REVIEW

Following the end of restrictions related to the Covid-19 pandemic, the Aikya Team has operated predominantly from our office in London, and meetings with clients and investee companies have resumed. During the period under review assets under management have grown steadily and the potential client pipeline remains strong.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is committed to ensuring it has the financial strength and capital adequacy to support the growth of the business and meet the requirements of regulators, the Financial Conduct Authority (FCA). The Company manages these risks by monitoring the capital adequacy position monthly. It is required to report to the FCA quarterly. The Directors are confident that the Company will continue to meet its capital adequacy requirements in future.

Key revenue related risks for the company are 1) Market resistance to the company's investment approach/asset class over an extended period; and 2) High client concentration. The Company manages these risks via active and consistent communications with existing and prospective clients, an active distribution strategy, ongoing market and competitor analysis, and regular asset consultant engagement.

We consider the Company's core investment strategy to be highly differentiated and truly active and are therefore confident of healthy ongoing demand.

DEVELOPMENT AND PERFORMANCE

The Company intends to continue to build on its reputation as a high-quality Emerging Market investment boutique, with a focus on protecting client wealth.

During the reporting year, we have worked closely with a number of global investment consultants and have received favourable ratings for the offered investment strategy. Assets under management grew from USD 255m to approximately USD 557m, following the successful onboarding of several external clients.

The portfolio managed on behalf of our clients has performed in line with our expectations, most notably during periods of broader market weakness, where it has protected client wealth satisfactorily.

FINANCIAL KEY PERFORMANCE INDICATORS

Turnover £794,873 - (2021 - £202,027)

(Loss) before tax (1,023,080) - (2021 - (£998,892))

OTHER KEY PERFORMANCE INDICATORS

There are no non-financial indicators to note for the reporting year.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

The Directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its member, and in doing so have regard, amongst other matters, to the:

- likely consequences of any decision in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers, and others;
- impact of the company's operations on the community and the environment;
- desirability of the company maintaining a reputation for high standards of business conduct;
- need to act fairly as between members of the company.

The Directors' regard to these matters is embedded in their decision-making process, through the Company's business strategy, culture, governance framework, management information flows and stakeholder engagement processes.

The Company's business strategy is focused on achieving success for the Company in the long-term. In setting this strategy, the Board takes into account the impact of relevant factors and stakeholder interests on the Company's performance. The Board also identifies principal risks facing the business and sets risk management objectives.

The Board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. The Directors ensure these core values are communicated to the Company's employees and embedded in the Company's policies and procedures, employee induction and training programmes and its risk and control oversight framework.

The Directors recognise that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long-term values, and operate a sustainable business.

The Directors are supported in the discharge of their duties by:

- Processes which ensure the provision of timely management information and escalation through reporting lines to the Board from the Company's business areas, its risk and control functions, and support teams;
- Agenda planning for Board meetings to provide sufficient time for the consideration and discussion of key matters.

Stakeholders

The Board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the Company.

The Board regularly discusses issues concerning employees, clients, suppliers and community and environment, which it takes into account in its discussions and in its decision-making process.

In addition to this, the Board seeks to understand the interests and views of the Company's stakeholders by engaging with them directly when required. The below summarises the key stakeholders and how we engage with each:

Employees

The Board recognises that employees are the backbone of the business and a key asset. Our employees contribute to a positive working culture and healthy working environment. Employees are key to the success of our business.

In addition to the objective of being a responsible employer in our approach to pay and benefits, we continue to engage with our team and external consultants (where applicable) to ascertain which training and development opportunities should be made available to

employees. The overarching aim is to improve our team's productivity

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

and our individual employees' potential within the business.

Clients

Clients are at the centre of our business. We aim to build lasting relationships with current and potential clients to understand their objectives and requirements. . We take a consultative approach with clients focused on building long-term relationships and solving their investment challenges. We are in regular contact with clients in order to meet their defined investment, reporting and service requirements. This includes attending regular update calls, webinars, and face to face meetings, depending on client preferences.

Suppliers

As a global business, we work with a wide range of suppliers both in the U.K. and globally. We remain committed to being fair and transparent in our dealings with all of our suppliers.

The Finance Function (under the Chief Financial Officer) is appointed to review and oversee the appointment and provision of services by suppliers, including initial and ongoing due diligence.

The Finance function updates the Board on a regular basis. The Company has procedures requiring due diligence of suppliers with regard to their internal governance, including for example, their anti-bribery and corruption practices, data protection policies and modern slavery matters.

The Company has systems and processes in place to ensure suppliers are paid in a timely manner.

Community and Environment

The Board's approach to social responsibility, diversity & the community is of high importance. We strive to create sustainable value and help our investor base in seeking more meaningful returns. Corporate social responsibility principles are part of our culture and decision-making process.

Shareholders

We seek to behave in a responsible manner towards our shareholders, recognising the importance of a continuing effective dialogue, in accordance with Company policy. The Board communicates information relevant to its shareholders.

This report was approved by the board on 11 October 2022 and signed on its behalf.

A Swarup
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The directors present their report and the financial statements for the year ended 30 June 2022.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors who served during the year were:

I Macoun
A Ihlenfeldt
T J Allen
R M Desai
A Swarup

DIRECTORS' RESPONSIBILITIES 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 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.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AIKYA INVESTMENT MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 11 October 2022 and signed on its behalf.

A Swarup
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIKYA INVESTMENT MANAGEMENT LIMITED

OPINION

We have audited the financial statements of Aikya Investment Management Limited (the 'Company') for the year ended 30 June 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 June 2022 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIKYA INVESTMENT MANAGEMENT LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves.

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 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 AUDITORS' REPORT TO THE MEMBERS OF AIKYA INVESTMENT MANAGEMENT LIMITED (CONTINUED)

AUDITORS' 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 Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which they operate and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including FCA registration, financial reporting, tax legislation and distributable profits and industry regulations including GDPR, employment law and health and safety.

We communicated the identified laws and regulations with the audit team and remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiries of management including those responsible for key regulations; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- review of board minutes held throughout the year to identify issues or events that may effect the financial statements

In addressing the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of significant transactions outside the normal course of business.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIKYA INVESTMENT MANAGEMENT LIMITED (CONTINUED)

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 Auditors' 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.

Martin Clapson FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

20 October 2022

AIKYA INVESTMENT MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Turnover	794,873	202,027
Gross profit	<u>794,873</u>	<u>202,027</u>
Administrative expenses	(1,817,953)	(1,200,919)
Operating loss	<u>(1,023,080)</u>	<u>(998,892)</u>
Loss for the financial year	<u><u>(1,023,080)</u></u>	<u><u>(998,892)</u></u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 15 to 25 form part of these financial statements.

AIKYA INVESTMENT MANAGEMENT LIMITED
REGISTERED NUMBER: 12329682

BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	13,819	13,317
Current assets			
Debtors: amounts falling due within one year	11	367,936	535,231
Cash at bank and in hand	12	1,052,438	268,732
		<u>1,420,374</u>	<u>803,963</u>
Creditors: amounts falling due within one year	13	(429,757)	(239,764)
Net current assets		<u>990,617</u>	<u>564,199</u>
Total assets less current liabilities		<u>1,004,436</u>	<u>577,516</u>
Net assets		<u><u>1,004,436</u></u>	<u><u>577,516</u></u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Share premium account	16	3,369,175	1,919,175
Capital redemption reserve	16	325	325
Profit and loss account	16	(2,366,064)	(1,342,984)
		<u><u>1,004,436</u></u>	<u><u>577,516</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 October 2022.

A Swarup
Director

The notes on pages 15 to 25 form part of these financial statements.

AIKYA INVESTMENT MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2021	1,000	1,919,175	325	(1,342,984)	577,516
Comprehensive income for the year					
Loss for the year	-	-	-	(1,023,080)	(1,023,080)
Total comprehensive income for the year	-	-	-	(1,023,080)	(1,023,080)
Additional called up amount	-	1,450,000	-	-	1,450,000
Total transactions with owners	-	1,450,000	-	-	1,450,000
At 30 June 2022	<u>1,000</u>	<u>3,369,175</u>	<u>325</u>	<u>(2,366,064)</u>	<u>1,004,436</u>

The notes on pages 15 to 25 form part of these financial statements.

AIKYA INVESTMENT MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2020	1,000	799,175	325	(344,092)	456,408
Comprehensive income for the year					
Loss for the year	-	-	-	(998,892)	(998,892)
Total comprehensive income for the year	-	-	-	(998,892)	(998,892)
Shares issued during the year	-	1,120,000	-	-	1,120,000
Total transactions with owners	-	1,120,000	-	-	1,120,000
At 30 June 2021	<u>1,000</u>	<u>1,919,175</u>	<u>325</u>	<u>(1,342,984)</u>	<u>577,516</u>

The notes on pages 15 to 25 form part of these financial statements.

AIKYA INVESTMENT MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(1,023,080)	(998,892)
Adjustments for:		
Depreciation of tangible assets	1,602	3,878
(Increase) in debtors	(113,095)	(227,831)
Decrease in amounts owed by groups	280,390	493,100
Increase/(decrease) in creditors	216,276	(47,457)
(Decrease) in amounts owed to groups	(26,283)	(56,871)
Net cash generated from operating activities	<u>(664,190)</u>	<u>(834,073)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,104)	(17,195)
Net cash from investing activities	<u>(2,104)</u>	<u>(17,195)</u>
Cash flows from financing activities		
Issue of ordinary shares	1,450,000	1,120,000
Net cash used in financing activities	<u>1,450,000</u>	<u>1,120,000</u>
Net increase in cash and cash equivalents	783,706	268,732
Cash and cash equivalents at beginning of year	268,732	-
Cash and cash equivalents at the end of year	<u>1,052,438</u>	<u>268,732</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,052,438	268,732
	<u>1,052,438</u>	<u>268,732</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. GENERAL INFORMATION

Aikya Investment Management Limited is a private company limited by shares incorporated in England and Wales, United Kingdom. The registered office address is Merlin Place, Milton Road, Cambridge, England, CB4 0DP. The principal activity of the company is that of fund management.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The level of rounding applied is to the nearest £.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The directors have prepared the financial statements on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The company incurred a net loss for the year of £1,023,080 (2021 - £998,892) and had an overall net assets position at 30 June 2022 of £1,004,436 (2021 - £577,516).

The Board and Management monitor the company's cash flow requirements to ensure it has sufficient funds to meet its contractual commitments and adjusts its spending, particularly with respect to discretionary expansion activity and corporate overhead.

Cash flow forecasts have been prepared for the company and the directors believe that at the date of signing the financial statements, there are sufficient cash reserves over at least the next 12 months, and it will have sufficient funds to meet its commitments and continue to pay its debts as and when they fall due.

This includes committed capital not yet drawn at balance sheet date.

Accordingly, the directors believe the going concern assumption is appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable including rebates and excluding discounts, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.6 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.8 TANGIBLE FIXED ASSETS

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25%	Straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 DEBTORS

Short-term debtors are measured at transaction price, less any impairment.

2.10 CASH AND CASH EQUIVALENTS

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.11 CREDITORS

Short-term creditors are measured at the transaction price.

2.12 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3.

JUDGMENTS IN APPLYING ACCOUNTING POLICIES 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 revision and future periods where the revision affects both current and future periods.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Investment management income	<u>794,873</u>	<u>202,027</u>

All turnover arose within the United Kingdom.

5. OPERATING LOSS

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation charge	1,062	3,878
Exchange differences	<u>(7,265)</u>	<u>26,941</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

6. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>6,000</u>	<u>6,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
Audit-related assurance services	4,950	2,500
All other services	<u>5,786</u>	<u>10,045</u>

7. EMPLOYEES

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

	2022 £	2021 £
Wages and salaries	1,067,946	432,462
Social security costs	129,728	50,364
Cost of defined contribution scheme	6,987	3,760
	<u>1,204,661</u>	<u>486,586</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Staff	6	5
Directors	5	5
	<u>11</u>	<u>10</u>

AIKYA INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	72,000	84,750
Company contributions to defined contribution pension schemes	533	533
	<u>72,533</u>	<u>85,283</u>

During the year retirement benefits were accruing to one directors (2021 - one) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £24,000 (2021 - £36,750).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £533 (2021 - £NIL).

9. TAXATION

	2022 £	2021 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(1,023,080)</u>	<u>(998,892)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(194,385)	(189,789)
Effects of:		
Capital allowances for year in excess of depreciation	(501)	(2,530)
Utilisation of tax losses	194,886	192,319
Total tax charge for the year	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

9. TAXATION (CONTINUED)**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The Company has estimated losses of £2,378,280 (2021 - £1,356,301) available to carry forward against future trading profits.

In March 2021, the UK Government proposed that the main rate of corporation tax would increase from 19% to 25% with effect from 1 April 2023. The Finance Bill was substantively enacted on 24 May 2021. In September 2022, the UK Government proposed that it would reverse the decision to increase the corporation tax rates from 1 April 2023. No adjustments have been considered necessary to reflect these changes.

10. TANGIBLE FIXED ASSETS

	Plant and machinery £
Cost	
At 1 July 2021	17,195
Additions	2,104
	<hr/>
At 30 June 2022	19,299
	<hr/>
Depreciation	
At 1 July 2021	3,878
Charge for the year on owned assets	1,602
	<hr/>
At 30 June 2022	5,480
	<hr/>
Net book value	
At 30 June 2022	<hr/> 13,819
At 30 June 2021	<hr/> 13,317

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

11. DEBTORS

	2022 £	2021 £
Trade debtors	123,596	112,803
Amounts owed by group undertakings	26,335	306,725
Other debtors	46,475	61,090
Prepayments and accrued income	171,530	54,613
	<u>367,936</u>	<u>535,231</u>

12. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	<u>1,052,438</u>	<u>268,732</u>

13. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	21,941	6,965
Amounts owed to group undertakings	44,663	70,946
Other taxation and social security	71,037	19,915
Other creditors	-	87
Accruals and deferred income	292,116	141,851
	<u>429,757</u>	<u>239,764</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

14. FINANCIAL INSTRUMENTS

	2022 £	2021 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	1,052,438	268,732
Financial assets measured at amortised cost	196,406	480,618
	<u>1,248,844</u>	<u>749,350</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>66,604</u>	<u>77,998</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings and other creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

15. SHARE CAPITAL

	2022 £	2021 £
Allotted, partly called up and partly paid		
100,000 (2021 - 100,000) Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

16. RESERVES**Share premium account**

Includes any premiums received on issue of called up share capital.

Capital redemption reserve

Represents the nominal value of shares repurchased and cancelled by the Company.

Profit and loss account

Includes all current and prior period retained profits and losses.

17. ANALYSIS OF NET DEBT

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	268,732	783,706	1,052,438
	<u>268,732</u>	<u>783,706</u>	<u>1,052,438</u>

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,987 (2021 - £3,760). Contributions of £Nil (2021 - £Nil) were payable to the fund at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

19. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £
Not later than 1 year	29,700
	<u>29,700</u>

20. RELATED PARTY TRANSACTIONS

The company is an associate of Pinnacle Investment Management Group Limited, an Australian company.

During the period, Pinnacle Services Administration Pty Limited, an associated group company, processed payments of £50,942 (2021 - £489,349) on behalf of the company. At 30 June 2022 the balance owed by the company was £38,283 (2021 - £9,692). This balance is interest free and repayable on demand.

During the period, Pinnacle Fund Services Limited, an associated group company, processed payments of £19,094 (2021 - £53,667) on behalf of the company. At 30 June 2022 the balance owed by the company was £3,345 (2021 - £12,852). In addition, the company offered services totalling £26,335 (2021 - £Nil). At 30 June 2022 the balance owed to the company was £26,335 (2021 - £Nil). These balances are interest free and repayable on demand.

During the period, Pinnacle Investment Management (UK) Limited, an associated group company, processed payments of £19,227 (2021 - £40,340) on behalf of the company. At 30 June 2022 the balance owed by the company was £3,034 (2021 - £48,402). In addition, recharged income from the Pinnacle Investment Management (UK) Limited was received totalling £Nil (2021 - £5,604). At 30 June 2022 the balance owed to the company was £Nil (2021 - £6,725). These balances were interest free and repayable on demand.

On 26 June 2020 the Company issued 32,500 ordinary shares of £0.01 each at a price per ordinary share of £160 to Pinnacle Investment Management Limited, an associated group company. During the period ended 30 June 2020 £24.60 per ordinary share was called up and recognised in share premium. During the year ended 30 June 2022 a further £1,450,000 was called up and recognised in share premium. As at the year end the Company was owed £Nil (2021 - £300,000).

Total remuneration for key management personnel amounted to £80,439 (2021 - £96,656).

21. CONTROLLING PARTY

There is no ultimate controlling party.

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