

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 June 2022
for
Chelsea Financial Services PLC

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for the Year Ended 30 June 2022

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Chelsea Financial Services PLC

Company Information
for the Year Ended 30 June 2022

DIRECTORS:

Dr J M Holder
Mr D M McDermott
Mr S D Holder
Mr S T McDermott

SECRETARY:

Mrs S Holder

REGISTERED OFFICE:

St James Hall
Moore Park Road
London
SW6 2JS

REGISTERED NUMBER:

01728085 (England and Wales)

AUDITOR:

Paul Hartley FCA
Statutory Auditor
PO Box 27075
London
N2 0FZ

SOLICITORS:

Eversheds
Senator House
85 Queen Victoria Street
London
EC4V 4JL

Strategic Report
for the Year Ended 30 June 2022

The directors present their strategic report for the year ended 30 June 2022.

REVIEW OF BUSINESS

The world of investment has been very different in the last 12 months. During the period we have seen a steep rise in inflation and a general squeeze on the consumer given the massive rise in energy prices. This has led to a 'cost of living crisis' and a much less attractive environment for investing.

Also there has been a sharp rotation in markets from a growth style to a value style. Clients have naturally migrated a majority of investments into the growth style as it has dominated for 12 years and that has seen a reversal in valuations for most. Coupled with the Russia invasion of Ukraine this has led to a much slower year new business.

New business during the period was £40,838,331. The total Aegon AUA was £32,965,561 and on the Chelsea Platform the AUA was £7,872,770.

The office is now fully open 5 days a week and most staff come in 5 days a week. Post Covid we have had a little turnover in staff but we have replaced all leavers.

The VT Chelsea managed funds had their 5th anniversary on the 5th June 2022 and 3 of the 4 were top quartile compared to reference benchmarks and 1 was in the 3rd quartile. The monthly income fund was in fact number 1 out of 136. Total AUA on the funds is £136m up from £126.4m the year before.

The fund range won the Lipper awards for multi asset small AUA for a second year running. This is a tremendous endorsement of the funds.

The funds had revenue of £304,979 against £230,423 last year an increase of £74,556 and a percentage increase of 32.36%.

This is very impressive in the context of falling stock markets

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the Company's business remains that a severe stock market downturn would reduce the level of renewal commissions and fees and might precipitate a general move by clients to disinvest, though experience of recent volatility suggests that most clients do not sell their investments and some regard it as an opportunity to buy.

Any unforeseen regulatory change could also impact us but there are no obvious issues on the horizon today. We continue to meet and give feedback with the FCA on issues that may affect us and our clients.

There have been no significant events that would affect the accounts since the year end.

The Board consider that the effects of Brexit will not be significant with regard to future results.

The Board is aware of the new FCA Consumer duty implementation is working towards satisfactory delivery.

Strategic Report
for the Year Ended 30 June 2022

KEY PERFORMANCE INDICATORS

The Directors consider Key Performance Indicators continue to be fee income and net profit. Fees this year were £4,668,877 against £4,576,013 last year, and increase of £92,864 (2.03%)

ON BEHALF OF THE BOARD:

Mr D M McDermott - Director

14 November 2022

Report of the Directors
for the Year Ended 30 June 2022

The directors present their report with the financial statements of the company for the year ended 30 June 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of arranging investment transactions on an execution only basis.

DIVIDENDS

The total distribution of dividends for the year ended 30 June 2022 will be £1,200,000 (2021 - £800,000)

FUTURE DEVELOPMENTS

The directors report that the revenue and profits for 2023 should be similar to that of 2022. Assets Under Administration have been growing steadily over the last few years.

The directors are satisfied that the company is in very good health financially.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2021 to the date of this report.

Dr J M Holder
Mr D M McDermott
Mr S D Holder
Mr S T McDermott

Other changes in directors holding office are as follows:

Mrs J A Schooling Latter - resigned 1 August 2021

POLITICAL DONATIONS AND EXPENDITURE

There were no political donations.

CLOSE COMPANY

The Company is a close company as defined by the Income and Corporation Taxes Act 1988.

Report of the Directors
for the Year Ended 30 June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he 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.

AUDITOR

The auditor, Paul Hartley FCA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr D M McDermott - Director

14 November 2022

Opinion

I have audited the financial statements of Chelsea Financial Services PLC (the 'company') for the year ended 30 June 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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 my 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 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

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of my report. I am independent of the company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the FRC's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I 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 I have performed, I 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.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and my Report of the Auditor thereon.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which I am 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, I have not identified material misstatements in the Strategic Report or the Report of the Directors.

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by me; 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
- I have not received all the information and explanations I require for my audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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

My 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 a Report of the Auditor that includes my 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.

The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below:

I considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations I considered in this context included the UK Companies Act, Accounting Standards and local tax legislation.

In addition, I considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

Audit Response to Risks Identified

The biggest fraud risk is that, the Chairman and Managing Director have override so there is insufficient segregation of duties. This is addressed by ensuring the Managing Director, whose economic Interests are aligned with the firm, oversees all activities and controls bank transfers.

My procedures to respond to risks Identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance,
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non- recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made In making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of my 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 my Report of the Auditor.

Use of my 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Paul Hartley FCA
Statutory Auditor
PO Box 27075
London
N2 0FZ

7 December 2022

Income Statement
for the Year Ended 30 June 2022

	Notes	2022 £	2021 £
TURNOVER	3	4,668,877	4,576,013
Administrative expenses		<u>3,188,316</u>	<u>3,142,315</u>
		1,480,561	1,433,698
Other operating income		<u>(108,350)</u>	<u>301,096</u>
OPERATING PROFIT	5	1,372,211	1,734,794
Interest receivable and similar income		<u>28,079</u>	<u>18,211</u>
PROFIT BEFORE TAXATION		1,400,290	1,753,005
Tax on profit	6	<u>317,635</u>	<u>357,309</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,082,655</u>	<u>1,395,696</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 30 June 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		1,082,655	1,395,696
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,082,655</u>	<u>1,395,696</u>

Balance Sheet
30 June 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	8		563,177		456,417
Investments	9		<u>1</u>		<u>-</u>
			563,178		456,417
CURRENT ASSETS					
Debtors	10	684,181		647,544	
Investments	11	2,175,415		2,289,765	
Cash at bank		<u>6,471,558</u>		<u>6,842,453</u>	
		9,331,154		9,779,762	
CREDITORS					
Amounts falling due within one year	12	<u>257,355</u>		<u>481,857</u>	
NET CURRENT ASSETS			<u>9,073,799</u>		<u>9,297,905</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,636,977</u>		<u>9,754,322</u>
CAPITAL AND RESERVES					
Called up share capital	14		54,400		54,400
Share reserves	15		111,750		111,750
Retained earnings	15		<u>9,470,827</u>		<u>9,588,172</u>
SHAREHOLDERS' FUNDS			<u>9,636,977</u>		<u>9,754,322</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14 November 2022 and were signed on its behalf by:

Mr D M McDermott - Director

Statement of Changes in Equity
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Share reserves £	Total equity £
Balance at 1 July 2020	54,400	8,992,476	111,750	9,158,626
Changes in equity				
Dividends	-	(800,000)	-	(800,000)
Total comprehensive income	-	1,395,696	-	1,395,696
Balance at 30 June 2021	54,400	9,588,172	111,750	9,754,322
Changes in equity				
Dividends	-	(1,200,000)	-	(1,200,000)
Total comprehensive income	-	1,082,655	-	1,082,655
Balance at 30 June 2022	54,400	9,470,827	111,750	9,636,977

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 30 June 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	20	1,375,975	694,824
Tax paid		(468,188)	(319,732)
Net cash from operating activities		<u>907,787</u>	<u>375,092</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(106,760)	(9,033)
Purchase of fixed asset investments		(1)	-
Interest received		28,079	18,211
Net cash from investing activities		<u>(78,682)</u>	<u>9,178</u>
Cash flows from financing activities			
Amount withdrawn by directors		-	(25,000)
Equity dividends paid		(1,200,000)	(800,000)
Net cash from financing activities		<u>(1,200,000)</u>	<u>(825,000)</u>
Decrease in cash and cash equivalents		<u>(370,895)</u>	<u>(440,730)</u>
Cash and cash equivalents at beginning of year	21	6,842,453	7,283,183
Cash and cash equivalents at end of year	21	<u>6,471,558</u>	<u>6,842,453</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 June 2022

1. STATUTORY INFORMATION

Chelsea Financial Services PLC is a public limited company not listed on any exchange, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation and functional currency of the accounts is £Sterling.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention modified to include certain assets at fair value.

Turnover

Turnover represents brokerage and fees and is taken to credit when earned, with the exception of life and pensions brokerage fees which are credited when received. Brokerage and fees received post year end that relate to the current year are recognised on a time-proportioned basis.

Depreciation

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost of tangible and intangible assets over their estimated useful lives:-

Office Equipment, Fixtures and Fittings	10-20%	Straight Line
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Art Work has been purchased for decorative purposes, rather than for capital growth, and so is included in tangible fixed assets at cost. Depreciation is no longer provided on the art work as its residual value is not considered to be less than the current carrying value.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

Pension contributions are charged to the profit and loss account in the year of payment. These contributions are invested separately from the company's assets.

Consolidated accounts

The company has not prepared consolidated accounts as the subsidiary company is dormant and any effect would be immaterial.

Investments

Current asset investments are valued at fair value. Listed investments are included at Stock market bid price.

Operating Leases

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Key Judgments and Estimations

The key judgments and estimations used by the directors are the residual value and useful lives of fixed assets including artwork

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
Initial and Renewal Fees	4,629,305	4,541,067
Life and Pension	39,572	34,946
	<u>4,668,877</u>	<u>4,576,013</u>

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	<u>4,668,877</u>	<u>4,576,013</u>
	<u>4,668,877</u>	<u>4,576,013</u>

The turnover is wholly attributable to that of Chelsea Financial Services PLC, which during the year represented brokerage and commission earned and life and pensions brokerage fees received.

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,377,059	1,462,986
Social security costs	213,698	224,031
Other pension costs	53,027	61,015
	<u>1,643,784</u>	<u>1,748,032</u>

The average number of employees during the year was as follows:

	2022	2021
Administration	<u>17</u>	<u>20</u>

	2022	2021
	£	£
Directors' remuneration	588,313	860,930
Directors' pension contributions to money purchase schemes	<u>25,200</u>	<u>59,760</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<u>232,992</u>	<u>441,057</u>
Commission paid to a director	200,000	200,000
Benefits in Kind	37,701	23,974

The number of directors accruing benefits under money purchase pension schemes are:

	Number	Number
Money Purchase	3	3

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Auditors remuneration	35,000	35,000
Operating lease rentals Land and Buildings	<u>171,000</u>	<u>151,000</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	317,635	357,309
Tax on profit	<u>317,635</u>	<u>357,309</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>1,400,290</u>	<u>1,753,005</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	266,055	333,071
Effects of:		
Expenses not deductible for tax purposes	51,672	24,350
Capital allowances in excess of depreciation	(92)	(112)
Total tax charge	<u>317,635</u>	<u>357,309</u>

7. **DIVIDENDS**

	2022 £	2021 £
Ordinary A shares of .01 each		
Final	<u>1,200,000</u>	<u>800,000</u>

8. **TANGIBLE FIXED ASSETS**

	Paintings & Artwork £	Fixtures and fittings £	Totals £
COST			
At 1 July 2021	456,417	296,112	752,529
Additions	106,760	-	106,760
At 30 June 2022	<u>563,177</u>	<u>296,112</u>	<u>859,289</u>
DEPRECIATION			
At 1 July 2021			
and 30 June 2022	-	296,112	296,112
NET BOOK VALUE			
At 30 June 2022	<u>563,177</u>	<u>-</u>	<u>563,177</u>
At 30 June 2021	<u>456,417</u>	<u>-</u>	<u>456,417</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

9. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
Additions	<u>1</u>
At 30 June 2022	<u>1</u>
NET BOOK VALUE	
At 30 June 2022	<u>1</u>

Chelsea Portfolio Management Limited (Company No 10604512) is a 100% subsidiary company and started trading on 12 November 2021. The company, which has the same registered address at the parent, has £1 share capital which is held by Chelsea Financial Services plc. The balance due to Chelsea Financial Services amounts to £30,850 as at 30 June 2022.

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	210,833	534,691
Chelsea Portfolio Management Services Limited	30,850	-
Amounts owed by associated undertakings	420,625	93,967
VAT	-	3,372
Prepayments	<u>21,873</u>	<u>15,514</u>
	<u>684,181</u>	<u>647,544</u>

Debtors are shown after making provisions for all debts which the Directors feel are likely to prove irrecoverable.

11. **CURRENT ASSET INVESTMENTS**

	2022 £	2021 £
Listed investments	<u>2,175,415</u>	<u>2,289,765</u>
Market value of listed investments at 30 June 2022 - £ 2,175,416 (2021 - £ 2,289,765).		

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Corporation Tax	26,842	177,395
Social security and other taxes	137,942	113,090
VAT	15,736	-
Pension fund loan	-	497
Amounts owed to associated companies	1	-
Accruals and deferred income	76,834	190,875
	<u>257,355</u>	<u>481,857</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	171,000	171,000
Between one and five years	281,564	171,000
	<u>452,564</u>	<u>342,000</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
5,000,000	Ordinary A	.01	50,000	50,000
440,000	Ordinary B	.01	4,400	4,400
			<u>54,400</u>	<u>54,400</u>

The company bought 440,000 Ordinary B shares of 1p on 5 September 2022 for the sum of £880,000.

15. RESERVES

	Retained earnings	Share reserves	Totals
	£	£	£
At 1 July 2021	9,588,172	111,750	9,699,922
Profit for the year	1,082,655		1,082,655
Dividends	(1,200,000)		(1,200,000)
At 30 June 2022	<u>9,470,827</u>	<u>111,750</u>	<u>9,582,577</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

16. PENSION COMMITMENTS

The company operates five money purchase pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions payable by the company amounted to £62,576 (2021 - £71,803). All contributions were paid in the year.

17. CAPITAL COMMITMENTS

There are no capital commitments as at 30 June 2022 (None at 30 June 2021).

18. RELATED PARTY DISCLOSURES

Entities under common control

	2022	2021
	£	£
Expenses Paid	326,658	256,813
Rent received	6,000	6,000
Amount due from related party	<u>420,625</u>	<u>93,067</u>

Key management personnel of the entity (in the aggregate)

	2022	2021
	£	£
Dividends	<u>1,200,000</u>	<u>775,000</u>

Other related parties

	2022	2021
	£	£
Rent Paid to Pension Scheme in which directors are members and trustees	171,000	171,000
Amount due from Pension Scheme in which directors are members and trustees	<u>-</u>	<u>497</u>

There are no key management personnel other than the directors. Directors' remuneration can be found in Note 4.

19. ULTIMATE CONTROLLING PARTY

The controlling party is Dr J M Holder.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

20. **RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit for the financial year	1,082,655	1,395,696
Loss/(gain) on revaluation of fixed assets	114,350	(1,235,196)
Finance income	(28,079)	(18,211)
Taxation	<u>317,635</u>	<u>357,309</u>
	1,486,561	499,598
(Increase)/decrease in trade and other debtors	(36,637)	25,777
(Decrease)/increase in trade and other creditors	<u>(73,949)</u>	<u>169,449</u>
Cash generated from operations	<u><u>1,375,975</u></u>	<u><u>694,824</u></u>

21. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>6,471,558</u>	<u>6,842,453</u>

Year ended 30 June 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	<u>6,842,453</u>	<u>7,283,183</u>

22. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.21	Cash flow	At 30.6.22
	£	£	£
Net cash			
Cash at bank	<u>6,842,453</u>	<u>(370,895)</u>	<u>6,471,558</u>
	<u>6,842,453</u>	<u>(370,895)</u>	<u>6,471,558</u>
Liquid resources			
Current asset investments	<u>2,289,765</u>	<u>(114,350)</u>	<u>2,175,415</u>
	<u>2,289,765</u>	<u>(114,350)</u>	<u>2,175,415</u>
Total	<u><u>9,132,218</u></u>	<u><u>(485,245)</u></u>	<u><u>8,646,973</u></u>

23. REVENUE COMMITMENTS

The company has a lease agreement with Chelsea Financial Services PLC Pension Fund for its office premises from 22 February 2014 for 10 years to 21 February 2024 in the sum of £171,000 per annum.

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