



STENHAM

STENHAM ASSET MANAGEMENT (UK) PLC

Company Registration No.02822010

**Annual report and financial statements
for the year ended 31 March 2022**

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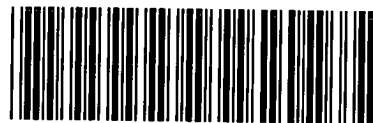


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**STENHAM ASSET MANAGEMENT (UK) PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

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STENHAM ASSET MANAGEMENT (UK) PLC STRATEGIC REPORT

The directors submit their report and the audited financial statements for Stenham Asset Management (UK) Plc (registered number 02822010) ("the company") registered in England & Wales for the year ended 31 March 2022.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a subsidiary of Stenham Asset Management Holdings Limited and its parent companies are SAM Global Limited and Boomerang Holdings Limited, both companies incorporated in Guernsey.

The principal activity of the company during the year was the provision of investment management services. The company has made a profit during the year under review.

As shown in the statement of comprehensive income on page 10, the company's operating revenue has decreased by 21.16% compared to prior year (2021: increased by 101.71%). The balance sheet on page 12 of the financial statements shows that net assets of the company have increased from £334,104 to £533,647 over the year (2021: have decreased from £436,246 to £334,104).

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it primarily to the financial risks of changes in equity values, interest rates and foreign exchange rates all of which will impact the fees earned by the company.

This risk is mitigated by the fact that the investment funds and client portfolios on which the company advises are invested predominantly in alternative investment strategies which are not directly correlated to markets. The risk is further mitigated by the fact that such investment funds and client portfolios are diversified across a wide range of strategies and individual managers.

Credit risk is the risk of loss resulting from the default of counterparty. Management consider the risk to be minimal as the main counterparty is a fellow subsidiary of the Stenham group.

Further details of the company's financial risk management objectives, its financial instruments and its exposures to credit risk, market risk, liquidity risk and foreign currency risk are set out in note 16 of the financial statements.

Registered Office:
180 Great Portland Street
London W1W 5QZ

Approved by the Board and signed on its behalf of



G. Battaglia
Director

24 June 2022

STENHAM ASSET MANAGEMENT (UK) PLC DIRECTORS' REPORT (CONTINUED)

The directors submit their report and the audited financial statements for Stenham Asset Management (UK) Plc ("the company"), a company limited by shares for the year ended 31 March 2022.

REGULATORY STATUS

The company is authorised and regulated by the Financial Conduct Authority in the UK to undertake the business of advising on investments, arranging deals, managing investments and dealing in investments as agent.

In accordance with the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), the firm is required to make annual disclosures regarding compliance with Pillar 3 in either these accounts or on any other publicly accessible forum such as the website of the Stenham Group. The firm has chosen the latter option by making its Pillar 3 disclosures available on the Stenham website which can be found at www.stenhamassetmanagement.com. The Investment Firms Prudential Regime ("IFPR") came into effect from 1 January 2022. Under the new regime, the company is defined as a Small and non-interconnected FCA investment firm (SNI). The company's capital adequacy requirement will be calculated differently under the new regime, however this will not have a major impact on the accounts. The Pillar 3 disclosure requirement has fallen away going forward.

RESULTS AND DIVIDENDS

The results for the year are set out in the statement of comprehensive income on page 10. Turnover for the year ended 31 March 2022 amounted to a total of £2,149,996 (2021: £2,727,430) and the net profit after tax was £199,543 (2021: net profit after tax was £156,546). The directors declared a dividend paid of £NIL during the year (2021: £258,888) and the remaining profit of £199,543 (2021: remaining loss of £102,642) was transferred to reserves.

GOING CONCERN

The company's underlying businesses operated profitably during the year under review. The directors intend to continue to pursue established policies and anticipate further progress in future years.

2022 has been another challenging year with significant impact on people, businesses, and communities everywhere. While Covid-19 vaccines were rolled out globally, some countries dealt with very significant outbreaks and many operated under various restrictions at different points.

As in previous year, the company main priorities in response to the COVID-19 crisis continued to be: protecting the health and safety of our people, clients and the community; minimising disruption to operations and client service delivery; and, preserving financial strength through cost containment and liquidity enhancement initiatives.

Despite these challenges, our staff were able to work remotely successfully throughout the financial year. Following the lifting of lockdown restrictions across the UK from April 2022, we continue to review the guidance issued by the UK and devolved governments on how to safely enable more staff to return to the office.

During the year under review, the business has successfully established a work-from-home policy at no significant additional financial costs. The company was able to continue to operate as business as usual.

The directors acknowledge the latest guidance on going concern. The company continues to monitor the current economic and business environment, and the directors are satisfied that the company's services will continue to be attractive to clients. The company also has adequate liquid resources, with £1,166,248 (2021: £696,457) held in cash to business for at least 12 months from the approval of the financial statements. Accordingly, the directors continue and expect to continue to adopt the going concern basis in preparing this report and the financial statements.

Following the Russian invasion of Ukraine, the UK Government has imposed a wide range of sanctions against certain Russian individuals and entities, as designated under the 2019 Russia (Sanctions) (EU Exit) Regulations and UK Sanctions List. With respect of operational resilience, we have updated the budget to remove any fee income which is due under certain agreements which Stenham group companies have with Russians UBOs. The company is partially dependent on its relationship with other Stenham group companies. However, the Stenham group is in a strong financial position.

CAPITAL STRUCTURE

Details of the authorised and issued share capital are shown in note 12. The company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the company.

DIRECTORS

The directors of the company who served during the year and to the date of this report were as follows:

R. I. C. Griggs
G. Battaglia
S. Chim

STENHAM ASSET MANAGEMENT (UK) PLC DIRECTORS' REPORT (CONTINUED)

EVENTS AFTER THE CHANGE TO STATEMENT OF FINANCIAL POSITION

Details of significant events since the change to statement of financial position are contained in note 19 to the financial statements.

DIRECTORS' INDEMNITIES

The company made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

AUDITOR

Deloitte LLP was re-appointed as the auditor on 15 June 2022.

Each of the persons who is a director at the date of the approval of the financial statements confirm that:

- As far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware.
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Registered Office:
180 Great Portland Street
London W1W 5QZ

Approved by the Board and signed on its behalf of



G. Battaglia
Director

24 June 2022

STENHAM ASSET MANAGEMENT (UK) PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible 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 adopted international Financial accounting standards. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STENHAM ASSET MANAGEMENT (UK) PLC

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Stenham Asset Management (UK) Plc (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of changes in equity;
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STENHAM ASSET MANAGEMENT (UK) PLC

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's operating licences and regulatory solvency requirements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- Management fees and performance fees recognised may not be recorded in accordance with the contracts with clients and may be prematurely recognised as a result of management bias in revenue recognition. In response, we evaluated the design and implementation of management's key internal controls over revenue recognition. We performed substantive analytical procedures by which we developed our expectation of revenues based on the rates stated in the contracts with customers and the asset under management figures provided by the administrator and matched against the recorded revenues to ensure the accuracy and timing of revenue recognition was in accordance with the contract. In addition, we performed substantive test of details for a sample of revenue by tracing the revenue recognised in the general ledger to the bank statement.
- Compliance of intercompany recharges with the transfer pricing agreement, there is a risk that Transfer Pricing Agreements are not followed which may result in net profit being misstated. We performed substantive test of details over the intercompany recharges during the year to ensure it is recorded in accordance with the transfer pricing agreement and involved our tax specialist to ensure the transfer pricing agreements is in line with the applicable tax laws.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STENHAM ASSET MANAGEMENT (UK) PLC

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by 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;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the HMRC.

Report on other legal and regulatory requirements

Opinions 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.

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 any material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or

We have nothing to report in respect of these matters.

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.



JOHN CLACY, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
St. Peter Port, Guernsey

24 June 2022

STENHAM ASSET MANAGEMENT (UK) PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Year ended 31 Mar 2022 £'000	Year ended 31 Mar 2021 £'000
OPERATING REVENUE	3	2,150	2,727
Administration and operating expenses		(1,904)	(2,566)
OPERATING PROFIT	3	246	161
Interest received	4	-	1
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		246	162
Tax on profit on ordinary activities	6	(47)	(5)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		199	157

The profit for the year derives wholly from continuing activities.

The accompanying notes form an integral part of these financial statements.

STENHAM ASSET MANAGEMENT (UK) PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

31 March 2022	Notes	Reserves £'000	Share capital £'000	Share premium £'000	Total £'000
Balance as at 1 April 2021		167	60	107	334
Total Comprehensive Income		199	-	-	199
Dividend paid on equity shares	14	-	-	-	-
Balance as at 31 March 2022		366	60	107	533

31 March 2021	Notes	Reserves £'000	Share capital £'000	Share premium £'000	Total £'000
Balance as at 1 April 2020		269	60	107	436
Total Comprehensive Income		157	-	-	157
Dividend paid on equity shares	14	(259)	-	-	(259)
Balance as at 31 March 2021		167	60	107	334

The accompanying notes form an integral part of these financial statements.

STENHAM ASSET MANAGEMENT (UK) PLC
BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2021 £'000	2021 £'000
NON-CURRENT ASSETS			
Deferred tax asset	8	2	5
		<u>2</u>	<u>5</u>
CURRENT ASSETS			
Trade and other receivables	9	967	2,098
Cash and cash equivalents	10	1,166	696
		<u>2,133</u>	<u>2,794</u>
TOTAL CURRENT ASSETS			
		<u>2,133</u>	<u>2,794</u>
TOTAL ASSETS		<u>2,135</u>	<u>2,799</u>
EQUITY			
Share capital	12	60	60
Share premium	13	107	107
Reserves		366	167
		<u>533</u>	<u>334</u>
TOTAL EQUITY			
		<u>533</u>	<u>334</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,558	2,435
Tax payable		44	30
		<u>1,602</u>	<u>2,465</u>
TOTAL CURRENT LIABILITIES			
		<u>1,602</u>	<u>2,465</u>
TOTAL EQUITY AND LIABILITIES		<u>2,135</u>	<u>2,799</u>

These financial statements were approved by the Board of Directors on 24 June 2022.

Signed on behalf of the Board.



G. Battaglia
Director

The accompanying notes form an integral part of these financial statements.

Company Registration No. 02822010

STENHAM ASSET MANAGEMENT (UK) PLC
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Year ended 31 Mar 2022 £'000	Year ended 31 Mar 2021 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operating activities	15	500	(24)
Interest received	4	-	1
Taxation paid		(30)	-
		<u>470</u>	<u>(23)</u>
CASH OUTFLOW FROM FINANCING ACTIVITIES			
Dividends paid	14	-	(259)
		<u>-</u>	<u>(259)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		470	(282)
OPENING CASH & CASH EQUIVALENTS		696	978
CLOSING CASH & CASH EQUIVALENTS	10	<u>1,166</u>	<u>696</u>

The accompanying notes form an integral part of these financial statements.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been consistently applied to all periods presented.

Basis of accounting

These financial statements have been prepared in accordance with and comply with United Kingdom adopted international accounting standards. The financial statements have been prepared under the historical cost basis.

Adoption of new and revised standards

In the current year, the company has adopted all of the new and revised standards effective in the year.

At the date of authorisation of these financial statements, certain new and revised Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective.

The following accounting standards and updates were applicable in the current period but did not have a material impact on the Company:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The following new and amended standards and interpretations in issue are applicable to the Company but are not yet effective and therefore, have not been adopted by the Group:

- IFRS 17: Insurance Contracts (effective 1 January 2023)
- Amendments to IAS 17: Insurance Contracts (effective 1 January 2023)
- Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (effective 1 January 2023)
- Amendments to IAS 12: Income Taxes (effective 1 January 2023)
- Amendments to IAS 1: Presentation of Financial Statements (effective 1 January 2023)

The Company has considered the IFRS's in issue but not yet effective and do not consider any to have a material impact on the Company.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value.

Financial assets at amortised cost

The company's business model is to collect the contractual cash flows from its assets. The cash flows consist solely of interest and principal payments. Therefore, the financial assets are classified as carried at amortised cost. The assets are measured at amortised cost using the effective interest method, less the expected credit losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

The company recognises a loss allowance, for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. When the expected credit loss for trade receivables is determined, the company makes use of the simplified approach, whereby the loss recognised is equal to the lifetime expected credit losses. Lifetime expected credit losses represent the expected losses that may result from possible default events, and the probability of such an event occurring, over the life time of the financial asset. The receivables we have in the balance sheet are largely amounts due from group companies and the general Expected Credit Loss model applies and not the provision matrix.

Interest income

Interest income is recognised using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, unless the assets subsequently became credit impaired. In the latter case, the effective interest rate is applied to the amortised cost of the financial asset. Interest is recognised on an accruals basis.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES (continued)

Revenue recognition

The revenue is measured at transaction price. The transaction price is the amount of consideration that the company expects to receive in exchange for the services rendered.

Rendering of services

Revenue is based on and charged through three different categories, 1) Assets under management - open ended funds where revenue is charged as a percentage of the assets under management, 2) Assets under management - closed ended funds where fees are also charged as a percentage of assets under management, 3) Service based fees where the revenue is charged based on an agreed fee structure for various services being provided. All revenue is recognised over time as the services are rendered and clients benefit from these services.

Accrued income

Accrued income represents the billable provision of services that are rendered and where performance obligations have been met but clients have not been invoiced at the reporting date. Accrued income is recorded based on agreed fees billed in arrears and time-based charge-out rates in force at the work date, less any specific provisions against the value of accrued income where recovery will not be made in full.

Deferred revenue

Deferred revenue represents fees in advance and upfront fees in respect of services due under contract and are time apportioned to the respective accounting periods, and those fees billed but not yet earned.

Going concern

The company's underlying businesses operated profitably during the year under review. The directors intend to continue to pursue established policies and anticipate further progress in future years.

2022 has been another challenging year with significant impact on people, businesses, and communities everywhere. While Covid-19 vaccines were rolled out globally, some countries dealt with very significant outbreaks and many operated under various restrictions at different points.

As in previous year, the company main priorities in response to the COVID-19 crisis continued to be: protecting the health and safety of our people, clients and the community; minimising disruption to operations and client service delivery; and, preserving financial strength through cost containment and liquidity enhancement initiatives.

Despite these challenges, our staff were able to work remotely successfully throughout the financial year. Following the lifting of lockdown restrictions across the UK from April 2022, we continue to review the guidance issued by the UK and devolved governments on how to safely enable more staff to return to the office.

During the year under review, the business has successfully established a work-from-home policy at no significant additional financial costs. The company was able to continue to operate as business as usual.

The directors acknowledge the latest guidance on going concern. The directors continue to monitor the current economic and business environment, and are satisfied that the company's services will continue to be attractive to clients. The company also has adequate liquid resources and held £1,166,248 (2021: £696,457) in cash at the change to statement of financial position. Accordingly the directors continue and expect to continue to adopt the going concern basis in preparing the report and the financial statements.

Following the Russian invasion of Ukraine, the UK Government has imposed a wide range of sanctions against certain Russian individuals and entities, as designated under the 2019 Russia (Sanctions) (EU Exit) Regulations and UK Sanctions List. With respect of operational resilience, we have updated the budget to remove any fee income which is due under certain agreements which Stenham group companies have with Russians UBOs. The company is partially dependent on its relationship with other Stenham group companies. However, the Stenham group is in a strong financial position.

Revenue recognition

Turnover consists of principally, management fees and performance fees. Interest income is recognised in profit or loss using the effective interest rate method. Turnover is recognised at fair value and is derived from the provision of portfolio management services accounted for on a receivable basis.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES (continued)

Performance fees

Performance fees are measured in line with contractual arrangements and are recognised when the right to receive them has been contractually established. The measurement dates are annual.

Foreign currency translation

The financial statements are presented in Pounds Sterling which is the company's functional and presentation currency.

Monetary assets and liabilities denominated in currencies other than Sterling have been translated into Sterling at the rates of exchange ruling at the change to statement of financial position. Transactions during the year have been translated at the rates of exchange ruling at the date of the transaction. Any gains or losses arising on translation differences are included as an exchange gain or loss in the statement of comprehensive income.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax application rates and laws that have been enacted or substantively enacted by the change to statement of financial position.

Deferred taxation is provided in full on timing differences that result in an obligation at the change to statement of financial position to pay more tax, or a right to pay less tax, at a future date, at rates which apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the change to statement of financial position.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial assets

Classification

The company classifies its financial assets as financial assets at amortised costs or at fair value through profit or loss. The classification is dependent on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Management determines the classification of its investments at the time of purchase and re-evaluates such designation at every reporting date.

Financial assets at amortised cost

Financial assets are measured at amortised cost if held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group includes in this category short-term non-financing receivables including trade and other receivables.

Recognition

Purchases and sales of financial assets are recognised on the trade date, which is when the company commits to purchase or sell the assets. Other financial assets are recognised when the entity becomes party to the contractual provisions of the agreement and derecognised when the contractual rights to receive cash flows from the financial asset expire, or where the financial assets have been transferred, together with substantially all of the risks and rewards of ownership.

Measurement

All financial assets are initially measured at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

After initial recognition, the company measures financial assets designated as at fair value through profit or loss, or as available-for-sale, at fair values without any deduction for transaction costs it may incur on their disposal.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
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1 ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Financial liabilities

Classification

The company classifies its financial liabilities in accordance with the substance of the contractual arrangements as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Tax estimates

The group companies' revenues are determined by intra group agreements and, as the group operates across different jurisdictions with different rates of tax, a transfer pricing methodology has been adopted to reflect the commercial arm's length value of intra group activities undertaken by the business. While professional advice has been taken, any allocation involves judgement given the differential in tax rates.

There are no key sources of estimation uncertainty.

3. OPERATING REVENUE AND OPERATING PROFIT

The company's turnover was mainly derived from its principal activity, the provision of investment management services.

Operating profit is stated after charging:

	Year ended 31 Mar 2022 £'000	Year ended 31 Mar 2021 £'000
Continuing activities		
Fees payable to auditor including non audit services	28	19
Foreign exchange losses/(gains)	(24)	75
	<hr/>	<hr/>

Fees payable to Deloitte LLP were £26,2400 (2021: £19,300), with £20,400 relating to the audit of the financial statements (2021: £13,500) and £5,800 for the provision of tax services (2021: £5,800) for the year ended 31 March 2022.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
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4. INTEREST RECEIVED

	Year ended 31 Mar 2022 £'000	Year ended 31 Mar 2021 £'000
Interest received	-	1

Interest received is earned on loans and receivables (including cash and bank balances).

5. STAFF COSTS AND DIRECTORS REMUNERATION

The principal activity of the company during the year was the provision of investment management services. The principal activity was carried out by the directors. The directors received no remuneration during the year. The directors are remunerated through employment with other entities within the group.

The Company had no employees in the current year (2021: Nil)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 Mar 2022 £'000	Year ended 31 Mar 2021 £'000
Current tax expense:		
UK corporation tax	44	29
Adjustment in respect of prior periods	-	(25)
Current tax expense	44	4
Deferred tax (note 8)	3	1
Tax on profit on ordinary activities	47	5

The tax expense for the year varied from the stated UK corporation tax rate as explained below:

Profit on ordinary activities before taxation	246	162
Tax at 19% there on (2021: 19%)	47	31
Adjustments in respect of prior periods	-	(25)
Movement in deferred tax	3	1
Tax effect of timing differences	(3)	(2)
Current tax charge for the year	47	5

Factors that may affect future tax charges:

At the Spring Budget 2021, the UK government announced an increase in the Corporation Tax main rate from 19% to 25% from 1 April 2023.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

	Financial assets at amortised cost 2022 £'000	Financial liabilities at amortised cost 2022 £'000	Non financial instruments 2022 £'000	Total 2022 £'000
31 March 2022				
Non-current assets				
Deferred taxation	-	-	2	2
Current assets				
Trade and other receivables	967	-	-	967
Cash and cash equivalents	1,166	-	-	1,166
Total assets	2,133	-	2	2,135
Current liabilities				
Trade and other liabilities	-	1,558	-	1,558
Taxation	-	-	44	44
Total liabilities	-	1,558	44	1,602

	Financial assets at amortised cost 2021 £'000	Financial liabilities at amortised cost 2021 £'000	Non financial instruments 2021 £'000	Total 2021 £'000
31 March 2021				
Non-current assets				
Deferred taxation	-	-	5	5
Current assets				
Trade and other receivables	2,098	-	-	2,098
Cash and cash equivalents	696	-	-	696
Total assets	2,794	-	5	2,799
Current liabilities				
Trade and other liabilities	-	2,435	-	2,435
Taxation	-	-	30	30
Total liabilities	-	2,435	30	2,465

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
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8. DEFERRED TAXATION

The following are the major deferred tax assets and liabilities recognised by the company and movements thereon during the current reporting period.

	Provisions £'000	Excess of capital allowances over dep'n £'000	Deferred tax asset £'000
Deferred tax asset			
As at 1 April 2021	3	2	5
Charge to statement of comprehensive income	(3)	-	(3)
As at 31 March 2022	-	2	2

	Provisions £'000	Excess of capital allowances over dep'n £'000	Deferred tax asset £'000
Deferred tax asset			
As at 1 April 2020	3	3	6
Charge to statement of comprehensive income	-	(1)	(1)
As at 31 March 2021	3	2	5

9. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Current assets		
Trade receivables	74	154
Amounts due from group companies	496	1,593
Prepayments and accrued income	397	351
	<u>967</u>	<u>2,098</u>

The amounts due from group companies are interest free and unsecured, with no fixed date of repayment.

The trade receivables, other debtors and amounts due from related companies had low risk of credit default and therefore no expected credit losses were recognised.

10. CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Bank balances	<u>1,166</u>	<u>696</u>

Cash and cash equivalents comprise cash held by the company and short-term bank deposits. The carrying amount of these assets is considered equivalent to their fair value.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. TRADE AND OTHER PAYABLES

	2022 £'000	2021 £'000
Current liabilities		
Amount due to group company	1,530	2,413
Other creditors and accruals	28	22
Other taxation and social security	44	30
	<u>1,602</u>	<u>2,465</u>

The amounts due to group companies are interest free and unsecured, with no fixed date of repayment.

12. SHARE CAPITAL

	2022 £'000	2021 £'000
Authorised		
75,000 ordinary shares of £1.00 each (2021: 75,000)	<u>75</u>	<u>75</u>
Alloted, called-up and fully paid		
60,387 ordinary shares of £1.00 each (2021: 60,387)	<u>60</u>	<u>60</u>

The ordinary shares are entitled to one vote per share and equal shares in dividend and capital distributions.

13. SHARE PREMIUM

	2022 £'000	2021 £'000
Balance brought forward and carried forward at 31 March	<u>107</u>	<u>107</u>

14. DIVIDENDS

	Year ended 31 Mar 2022 £'000	Year ended 31 Mar 2021 £'000
Amounts recognised as distributions to equity holders in the year		
Dividends paid out of profits (£NIL per share)		
(2021: £4.29 per share)	<u>-</u>	<u>259</u>

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
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15. NET CASH FROM OPERATING ACTIVITIES

	Year ended 31 Mar 2022 £'000	Year ended 31 Mar 2021 £'000
Operating profit	246	162
Decrease/(Increase) in receivables	1,131	(1,866)
(Decrease)/Increase in payables	(877)	1,680
Net cash generated from/(utilised in) operating activities	500	(24)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Having regard to the fact that managing risk is an inherent part of the company's activities, risk management and the ongoing improvement in corresponding control structures remain a key focus of management in building a successful and sustainable business. Within a complex financial services environment, the Board recognises that risk management is a dynamic process and that the risk framework should be robust enough to effectively manage and react to change in an efficient and timely manner.

Formalisation of a risk management framework is the responsibility of the Board. The framework ensures:

- risk-taking within levels acceptable to the company;
- efficient liquidity management and control of funding costs; and
- improved risk management and control.

Senior management take an active role in the risk management process and are responsible for the implementation, ongoing maintenance of and ultimate compliance with the risk process as it applies to the business. Regular Board meetings are held to consider any risk developments.

Risk management structure

The company participates in the Stenham group's (being Stenham Limited and its subsidiaries) risk management framework.

The nature of key risks to which the company is exposed are categorised as follows:

Market risk

Market risk is the potential change in the value of a financial instrument resulting from changes in market conditions. The company's activities expose it primarily to the financial risks of changes in equity values, interest rates and foreign exchange rates all of which will impact the fees earned by the company.

The board mitigates market risk in its investment funds and client portfolios by diversifying investments across a wide range of strategies and individual managers.

Assets under management

Revenue is partially dependent on the level of assets under management, as well as the performance of the investments managed by the company relative to various benchmarks. The value of these investments fluctuates with market movements and foreign exchange rates. The value of assets under management by the company at the change to statement of financial position is as follows:

The value of assets under management held by the company at the change to statement of financial position are as follows:

	Average value of assets under management		Approximate income impact of 10% change in value	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Assets under management	289,600	247,009	172	273

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Regulatory Risk

The Company ability to operate as a provider of investment management services would be impaired as a result of regulatory failings. The regulatory risk of the Company is managed by the compliance function. The company has a governance structure in place, supported by a risk framework that allows for the identification, control and mitigation of material risk resulting from a number of factors.

The adequacy and effectiveness of the Company's policies procedures, systems and controls to identify and meet relevant regulatory requirements is constantly assessed, a process supported by a tailored and ongoing compliance monitoring programme.

Foreign currency risk

The company is exposed to foreign currency transaction exposure risk.

Transaction exposures arise when the company undertakes a transaction in a currency other than its functional currency.

The main currencies in which the company transacts are Sterling (GBP) and, on a lesser scale, US Dollars (USD) and Euros (EUR). Currency exposures are monitored on an ongoing basis. The carrying amounts of the company's foreign-currency-denominated monetary assets and liabilities at the reporting date are as follows:

	USD 2022 £'000	EUR 2022 £'000	USD 2021 £'000	EUR 2021 £'000
Current Assets				
Trade and other receivables	448	-	487	-
Cash and cash equivalents	71	-	87	50
Total assets	519	-	574	50
Current liabilities				
Trade and other payables	-	-	-	-
Total liabilities	-	-	-	-
Net exposure	519	-	574	50

During the year, the following rates applied and the sensitivity of the company to a 10% movement in exchange rates is as follows:

	Average rate 2022	Year end rate 2022	Average rate 2021	Year end rate 2021	Approximate income impact of a 10% change rate	
					2022 £'000	2021 £'000
GBP:USD	1.36	1.31	1.31	1.38	47	52
GBP:EUR	1.17	1.18	1.13	1.17	-	5

This sensitivity analysis, shown before tax and non-controlling interest, reflects the potential impact on balance sheet items only. The potential impact on profit and loss account is shown in the market risk section above.

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on future cash flows and earnings from interest-bearing assets and liabilities. Interest earned by the company is a result of the Stenham group's financing decisions.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

Financial assets and liabilities that are sensitive to interest rate risk comprise only cash balances.

The company monitors interest rate risk on an ongoing basis and cash is placed with high credit-rated financial institutions or invested in government bonds. Management considers interest rate risk to be minimal.

Interest rate sensitivity analysis

The repricing profile of assets and liabilities sensitive to interest rate fluctuations is presented in the table below. Interest-bearing assets and liabilities are allocated to time periods by reference to the earlier of the next contractual interest rate repricing date and the maturity or settlement date. Non-interest bearing assets and liabilities are allocated according to known or estimated settlement dates. A 2% increase represents management's assessment of the reasonably possible change in interest rates. The table depicts the sensitivity of a 2 % parallel shift in all applicable rates.

	<1 month	1 - 3 months	3 months - 1 year	>1 year	Non interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
31 March 2022						
Assets	1,166	946	-	-	23	2,135
Liabilities	-	(1,556)	(2)	-	(44)	(1,602)
Interest rate sensitivity gap	1,166	(610)	(2)	-	(21)	533
Cumulative interest rate gap	1,166	556	554	554	533	533
Cumulative earnings risk (2% change in rate)	-	4	8	-	-	12
	<1 month	1 - 3 months	3 months - 1 year	>1 year	Non interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
31 March 2021						
Assets	696	2,084	-	-	19	2,799
Liabilities	-	(2,435)	-	-	(30)	(2,465)
Interest rate sensitivity gap	696	(351)	-	-	(11)	334
Cumulative interest rate gap	696	345	345	345	334	334
Cumulative earnings risk (2% change in rate)	-	2	5	-	-	7

Credit risk

Credit risk is the risk of loss resulting from the default of a counterparty, however management consider the risk to be minimal as the main counterparty is a fellow subsidiary of the Stenham group.

Other assets that expose the company to credit risk consist principally of cash deposits and trade receivables. Cash is placed on deposit with high credit-rated financial institutions.

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Current financial assets

The ageing of current financial assets as at the reporting date is set out below:

31 March 2022	Not past due £'000	Past due but not impaired				Carrying value £'000
		<30 days £'000	30+ days £'000	60+ days £'000	90+ days £'000	
Current assets						
Trade and other receivables	519	448	-	-	-	967
Cash and cash equivalents	1,166	-	-	-	-	1,166
Total assets	1,685	448	-	-	-	2,133

31 March 2021	Not past due £'000	Past due but not impaired				Carrying value £'000
		<30 days £'000	30+ days £'000	60+ days £'000	90+ days £'000	
Current assets						
Trade and other receivables	1,611	487	-	-	-	2,098
Cash and cash equivalents	696	-	-	-	-	696
Total assets	2,307	487	-	-	-	2,794

Liquidity risk

Liquidity risk refers to the ability to meet funding obligations as they fall due.

Liquidity table

A summary of the company's undiscounted liquidity profile is reflected in the table below. Assets and liabilities are allocated according to their contractual maturity dates.

31 March 2022	On demand & <1 month £'000	1 - 3 months £'000	3 - 6 months £'000	6 months - 1 year £'000	No date £'000	Total £'000
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Deferred tax asset	-	-	-	-	2	2
Trade and other receivables	-	946	-	-	21	967
Cash and cash equivalents	1,166	-	-	-	-	1,166
Total assets	1,166	946	-	-	23	2,135
Liabilities						
Trade and other payables	-	(1,556)	(46)	-	-	(1,602)
Total liabilities	-	(1,556)	(46)	-	-	(1,602)
Liquidity gap	1,166	(610)	(46)	-	23	533
Cumulative liquidity gap	1,166	556	510	510	533	533

STENHAM ASSET MANAGEMENT (UK) PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	On demand & <1 month £'000	1 - 3 months £'000	3 - 6 months £'000	6 months - 1 year £'000	No date £'000	Total £'000
31 March 2021						
Assets						
Deferred tax asset	-	-	-	-	5	5
Trade and other receivables	-	2,083	-	-	14	2,097
Cash and cash equivalents	696	-	-	-	-	696
Total assets	696	2,083	-	-	19	2,798
Liabilities						
Trade and other payables	-	(2,435)	(30)	-	-	(2,465)
Total liabilities	-	(2,435)	(30)	-	-	(2,465)
Liquidity gap	696	(352)	(30)	-	19	333
Cumulative liquidity gap	696	344	314	314	333	333

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern and satisfy all regulatory capital requirements while maximising the return to stakeholders. The company's overall strategy remains unchanged from previous years.

The capital structure of the company consists of equity, comprising issued capital, reserves and accumulated profits as disclosed in the statement of changes in equity.

Gearing ratio

Throughout the year and as at 31 March 2022, the company did not have any debt (2021: £Nil).

17. RELATED PARTY TRANSACTIONS

During the year, the company entered into various transactions with related parties in the ordinary course of business.

	Revenue/(Expense)		Amounts owed by/(to) related parties	
	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000	2022 £'000	2021 £'000
Advisory fees receivable from affiliated/group companies	-	-	-	-
Amounts receivable from/(payable to) affiliated/group companies	(1,816)	(2,451)	10/(1,098)	10/(830)

The amounts receivable/payable are interest free and has no fixed terms of repayment.

**STENHAM ASSET MANAGEMENT (UK) PLC
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FOR THE YEAR ENDED 31 MARCH 2022**

18. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

The company's intermediate holding company is Stenham Asset Management Holdings Limited, a company incorporated in Guernsey. The company's parent companies are SAM Global Limited and Boomerang Holdings Limited, both companies incorporated in Guernsey.

19. POST BALANCE SHEET EVENTS

These financial statements were approved for issuance by the Board, subsequent events have been evaluated up to the date of signing.