Knox D'Arcy Investment Management Limited

Director's report and financial statements

For the year ended 31 December 2021

Company Registration No 2863879

Knox D'Arcy Investment Management Limited

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Knox D'Arcy Investment Management Limited

Director's Report

The Director presents their annual report and the audited financial statements for Knox D'Arcy Investment Management Limited (the "Company") for the year ended 31 December 2021.

Principal activity
The Company is a private limited company incorporated in England and Wales with registration number 2863879. Its principal activity is the provision of investment management services. The Company is licensed by the UK Financial Conduct Authority as an investment manager.

The Company is a subsidiary undertaking of Knox D'Arcy Holdings (UK) Limited, a company incorporated in England and Wales.

Results and dividend
The profit for the year on ordinary activities after taxation was £100 *(2020: £2,752)*. The Director does not recommend the payment of a dividend *(2020: £Nil)*.

Director
The Director who held office during the year and up to date of this report was as follows:

	Appointed	Resigned
A Caludi		28-8-21
N H Chase	18-3-22	

The Director held no beneficial interest in the shares of the Company at any time during the year.

There have been no charitable or political donations during the year.

Registered Office
11 St James's Place,
London
SW1A 1NP

Disclosure of information to auditors

The Director who held office at the date of approval of this Director's Report confirms that, so far as she 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 she ought to have taken as a Director to make herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors
Moore Stephens LP, being eligible, have expressed their willingness to continue in office in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Director's Report (continued)

Statement of Director's Responsibilities in Respect of the Director's Report and the Financial Statements

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law she has elected to prepare financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Section 1A of the Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the director must not approve the financial statements unless she is 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director confirms that she has complied with the above requirements in preparing the financial statements.

The Director is 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 its financial statements comply with the Companies Act 2006. She has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

On behalf of the Board

Director N.H.Chase

Date: 24|03|2022

Independent Auditors' Report to the Shareholder of Knox D'Arcy Investment Management Limited

Opinion

We have audited the financial statements of Knox D'Arcy Investment Management Limited (the 'company') for the year ended 31 December 2021 which comprise of the Statement of Income and Retained Earnings, Statement of Financial Position 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has 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 Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Director was not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Director

As explained more fully in the Director's Responsibilities Statement set out on page 2, the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Explanation as to the capability the audit was of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, the Financial Conduct Authority and applicable taxation legislation
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Dixon, *Senior Statutory Auditor*
For and on behalf of Moore Stephens LP, Statutory Auditor
PO Box 25
26 Athol Street
Douglas
Isle of Man
IM99 1BD

25 March 2022

Knox D'Arcy Investment Management Limited

Statement of Income and Retained Earnings

for the year ended 31 December 2021

	Notes	**2021**	2020
		£	£
Revenue	*1(b)*	**146,000**	212,500
Administrative expenses		**(145,900)**	(209,748)
Operating profit	*2*	**100**	2,752
Profit on ordinary activities before taxation		**100**	2,752
Taxation	*4*	**-**	-
Profit on ordinary activities after taxation		**100**	2,752
Opening accumulated losses		**(133,020)**	(135,772)
Closing accumulated losses		**(132,920)**	(133,020)

In both the current and preceding financial years, there were no recognised gains or losses other than those dealt with in the statement of income and retained earnings.

The Director considers that all results derive from continuing operations.

The notes on pages 8 to 11 form part of these financial statements.

Knox D'Arcy Investment Management Limited

Statement of Financial Position

as at 31 December 2021

	Notes	2021	2020
		£	£
Current assets			
Debtors	5	**333,443**	346,706
Cash and cash equivalents		**25,575**	1,964
		359,018	348,670
Creditors: amounts falling due within one year	6	**(141,938)**	(131,690)
Net current assets		**217,080**	216,980
Net assets		**217,080**	216,980
Capital and reserves			
Called up share capital	7	**350,000**	350,000
Accumulated losses		**(132,920)**	(133,020)
Equity shareholder's funds		**217,080**	216,980

The Company's registration number is 2863879.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to small companies regime in accordance with part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors and were signed on their behalf by:

------------------------ **Date** 24/03/2022

N H Chase
Director

The notes on pages 8 to 11 form part of these financial statements.

Notes

(forming part of the financial statements for the year ended 31 December 2021)

1 Accounting policies

a) *Basis of preparation*

The financial statements as at and for the year ended 31 December 2021 have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Section 1A Small Entities of FRS 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland.

b) *Revenue*

Revenue comprises fees and is accounted for on a receivable basis. Revenue is derived from ordinary activities and represents the value of fees (excluding VAT) in respect of the provision of investment management and/or investment advisory services.

c) *Taxation*

The Company is subject to United Kingdom corporation tax at 19% (2020: 19%).

d) *Financial and Presentation Currency*

The Company's financial and presentation currency is GBP, rounded to the nearest pound.

2 Operating profit

Operating profit is stated after charging:

	2021	2020
	£	£
Auditors' remuneration	**2,860**	2,200
Staff costs:		
Wages and salaries	**71,294**	120,642
Social security costs	**7,488**	13,872
Pension Costs	**2,309**	3,603
	81,091	138,117

The average number of employees during the year was 3 *(2020: 3)*.

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2021)

3 Director's emoluments

	2021	2020
	£	£
Salaries	**12,555**	**76,304**

4 Taxation

Taxation on profit on ordinary activities

a) Analysis of charge for the year

	2021	2020
	£	£
Profit and loss account		
Current tax		
UK corporation tax at 19% based on profit for the year *(2019:19%)*	-	-
Total on profit on ordinary activities	-	-
Balance Sheet		
Current tax liability	-	-

b) Factors affecting tax charge for the year

	2021	2020
	£	£
Profit on ordinary activities before tax	**100**	2,752
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2020:19%):	**19**	523
Effects of:		
Non-deductible expenses	**186**	15
Utilised losses	**(205)**	(538)
Current tax charge per accounts	-	-

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2021)

5 Debtors

	2021	2020
	£	£
Amounts due from fellow group companies	328,012	340,980
Prepayments	5,431	5,726
	333,443	346,706

Amounts due from fellow group companies are unsecured, interest free and repayable on demand.

6 Creditors

	2021	2020
	£	£
Accruals	16,134	8,231
Tax and NI	804	(1,541)
Subordinated loan stock issued to fellow subsidiary	125,000	125,000
	141,938	131,690

The subordinated loan stock is unsecured, bears interest at 0% per annum with effect from 01 January 2016 and is repayable upon three months written notice being given by the lender, Knox D'Arcy Operations Limited, and consent being obtained from the Financial Conduct Authority.

7 Called up share capital

	2021	2020
	£	£
Authorised:		
500,000 ordinary shares of £1 each	500,000	500,000
Issued and fully paid:		
350,000 ordinary shares of £1 each	350,000	350,000

The Shareholder has the right to receive notice of and attend any general meetings, as well as the right to vote. The shareholder has the right to receive distributions of dividends.

8 Parent and Controlling Party

The Company is a wholly owned subsidiary undertaking of Knox D'Arcy Holdings (UK) Limited, a company incorporated in England and Wales. The Director considers the ultimate holding company to be Knox D'Arcy Holdings Limited, a company incorporated in the Isle of Man.

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2021)

9 Related party transactions

The Company has taken advantage of the exemption under FRS 102 (S 33.1A) from making disclosures regarding transactions entered into between two or more members of a group, provided that any party to the transaction is a wholly owned member of the group.

REGULATORY DISCLOSURES

PILLAR III

Scope and application of the requirements

The Company is governed by its Directors ('the Board') who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Company's governance arrangements along with designing and implementing a risk management framework that recognises and manages the risks that the business faces. The Board meet on a regular basis and discuss profitability, cash flow, regulatory capital management, and business planning and risk management. The Board manages the Company's risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including Financial Conduct Authority principles and rules) with the aim to operate a defined and transparent risk management framework.

The Board have identified that reputational, operational, market and credit risks are the areas of risk to which the Company may be exposed. Annually the Board formally review the risks, controls and other risk mitigation arrangements and assesses their effectiveness. Where the Board identify material risks they consider the financial impact of these risks as part of business planning and capital management and concludes whether the amount of regulatory capital is adequate. The general objective is to develop systems and controls to mitigate risk to a level that does not require the allocation of Pillar 2 capital.

The Company is authorised and regulated by the Financial Conduct Authority ('FCA') and as such it is subject to minimum regulatory capital requirements. The Company is small with a simple operational infrastructure. The Company provides investment management and investment advisory services and the risks to which the Company is exposed are principally reputational and operational in nature and are managed according to the Company's operational and compliance risk guidelines including its ethical standards. The Company is a BIPRU €50k limited licence firm registered with the FCA (FRN No 185178) and lodges its financial statements with Companies House.

Disclosure of capital resources and capital resource

The capital resources of the Company are made up of equity shareholder's funds, which qualifies as Tier 1 capital and a subordinated loan, which qualifies as Tier 3 capital.
As the Company is a limited licence firm, its capital requirements are the greater of:

- Its base capital requirement of €50k;
- The sum of its market and credit risk requirements; and
- Its Fixed Overhead Requirement ("FOR")

It is the Company's experience that the capital requirement of the Company is the fixed overhead requirement and not the sum of market and credit risk. For the purpose of this calculation disclosures relating to market and credit are therefore considered to be immaterial in consideration in the assessment of the business.

As at the 31 December 2021 the Company had £342k of capital with a FOR of £36k, and therefore the Company has substantial excess resources over its regulatory capital requirements.

REGULATORY DISCLOSURES (continued)

Disclosure of compliance with the overall Pillar II rule

Under Pillar II of the Capital Requirements Directive, the Company is required to enact an Internal Capital Adequacy Assessment Process ("ICAAP"). This is an ongoing process. The ICAAP document is presented to the Board for formal review and approval. The data and assumptions used in the assessment of risk and capital adequacy are continually assessed and updated. This includes stress testing of various scenarios. Should new risks materialise or be identified by the Company, then these risks will be incorporated into the overall review process.

REMUNERATION CODE

Scope and application of the requirements

BIPRU 11.5 sets out the disclosure requirements in relation to the remuneration of code staff which all FCA regulated firms are required to comply with. The Company is a Level 3 firm and the following disclosure has been made in accordance with the FCA's rules and regulations as outlined under BIPRU 11.5.18 and SYSC 19C and is intended to fully satisfy the requirements of the remuneration code ("the Code").

Disclosure of compliance with Remuneration Code

The Company has in place internal policies, practices and procedures consistent with the FCA's rules and regulations for Level 3 firms. The members of the Board form the remuneration committee and the members fully acknowledge their responsibilities under the Code including their overriding responsibility to ensure that the firm's remuneration policies, practices and procedures:

- are in line with the business strategy, objectives and long-term interests and values of the firm;
- are consistent with and promote sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk of the firm;
- are appropriate to attract, motivate and retain suitable staff;
- are representative of the underlying performance of the business and do not reward individuals for poor performance; and
- include measures to avoid conflicts of interest.

As permitted by the Code, the firm has adopted the FCA's proportionality approach for Level 3 firms in applying the requirements of the Code. All decisions in relation to the remuneration of code staff are made and approved by the firm's remuneration committee, with no input from external consultants. Remuneration is determined with reference to a number of factors including, but not limited to, the performance of the individual, the Company and the individual's adherence to the firm's risk management and compliance procedures.

Variable remuneration which is paid in the form of bonuses is only awarded after full consideration of these factors together with an assessment of any current or potential risks to the business in the context of these payments.

In accordance with the FCA's proportionality approach for Level 3 firms, the firm has elected not to apply the FCA's specific regulatory requirements in relation to the fixed and variable elements of total remuneration; the payment of variable remuneration through retained shares or other instruments; the deferral of these payments; or performance adjustments.

REGULATORY DISCLOSURES (continued)

The remuneration committee believes that its remuneration code policies, procedures and practices are consistent with the firm's obligations to its customers and that the payment of variable remuneration is aligned to the performance and success of the funds which the firm acts as investment manager or advisor.

The firm's code staff, all of whom have been approved by the FCA under section 59 of the Financial Services and Markets Act 2000 Act to perform a controlled function, received aggregate remuneration of £26,945 in the year ended 31 December 2021.

Stewardship Code Disclosure

Introduction - The Stewardship Code ("the Code") was published by the Financial Reporting Council ("FRC"), the UK's independent regulator responsible for promoting high quality corporate governance and reporting in order to foster investment. The Code sets out good practice for institutional investors in their dealings with the companies in which they have invested.

Disclosure obligations - The FCA's regulations outline a firm's obligations in relation to the Code and for firms who manage assets for corporate professional clients to disclose to these clients the nature of their commitment to the Code, or where it does not commit to the Code its alternate business model. Although the firm recognises the aims and benefits of the Code the firm's investment strategy is such that it does not engage directly with companies and therefore the Code in the context of firm's investment strategy does not apply and the firm does not consider that its clients expect such engagement. It is however important to note that the firm's investment strategy is specifically structured to maximise investment gains and enhance shareholder value and that it constantly monitors investments, would act collectively with other institutional investors where appropriate and has developed internal policies and procedures for managing conflicts of interest. This non commit disclosure fully encompasses the firm's regulatory obligations in complying with the FRC's Stewardship Code and the FCA's regulatory requirements.