APPLERIGG LIMITED

(Registered No: 4265943)

CONSOLIDATED REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Applerigg Limited

Report and financial statements
for the year ended 31 December 2020

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Directors

Oliver Sargent	*Non-executive Chairman*
Mark Fuller	*Non-executive Director*
Stephen Hill	*Non-executive Director*
Bruce Offergelt	*Executive Director*
Paolo Scalco	*Executive Director*
Sir Christopher Scott, Bt.	*Non-executive Director*
Mr Edward Scott	*Non-executive Director (appointed 24 March 2021)*

Secretary
Amba Secretaries Limited

Registered office
New Kings Court
Tollgate
Chandler's Ford
Eastleigh
SO53 3LG

Company number
04265943

Auditors
BDO LLP
55 Baker Street
London
W1U 7EU

Business Review

2020 was a year of considerable change for the Applerigg Group with the sale of Sand Aire Limited ("Sandaire") to Schroder & Co Limited ("Schroders") and the operation for most of the year under the constraints resulting from the onset of the coronavirus pandemic at the start of the year.

The decision to sell Sandaire, which the Board determined was in the best long-term interests of both the clients of Sandaire and the Company's shareholders, was taken after due and careful consideration, and the successful sale to Schroders was negotiated with the full assistance of the Company's legal and corporate advisors

With the transfer of the Lord North Street clients to Sandaire in 2019, all the operating income and costs were being borne in Sandaire in 2020. Sandaire delivered an operating loss of £1,648,000 in the period to 18 December 2020, the date the sale to Schroders was completed (2019: £2,171,000). This reflects the action taken by management to manage the costs in light of the impact of the coronavirus on markets in Q1 2020, its impact on revenues, and the challenge to increase income from both the core business and the new or enhanced business lines in light of the operating constraints arising from the pandemic. The Sandaire operating loss included a loss of £3,000 (2019: a loss of £7,000) relating to Lord North Street Limited.

Yealand Group Limited is the holding company for the Group's interest in Yealand Administration Limited and Carvetian Capital Management Limited, which was formed to reflect that these businesses provide complimentary services under common leadership.

Yealand Administration Limited ("Yealand") reported an increase in its profit to £822,000 (2019: £637,000) which reflects both the new business taken on in the year and the increase in the recharge to Carvetian Capital Management Limited ("Carvetian") to reflect the additional services that were provided to that company.

Carvetian reported a fall in profit to £127,000 (2019: £208,000) to reflect that while revenues increased there was a greater increase in the recharge from Yealand.

Sand Aire (Singapore) (Pte) Ltd ("Sandaire Singapore") recorded a lower loss of £91,000 (2019: £302,000). This reflects the decision, which was taken in 2019 following the strategic review, to cease all regulated activities in Singapore. The company was managed on a "care and maintenance basis" from the start of 2020 while the longer-term options were considered. As a result of this review the decision was taken to place the company into "Members Voluntary Liquidation" on 8 October 2020.

Applerigg and its subsidiaries ("the Group") continued to explore other strategic opportunities, which could add long-term value for shareholders. In some instances, this may require the absorption of the costs incurred to evaluate such opportunities.

Risks and uncertainties

Risk	**Impact on *Company***	**Assessment of change in *risk year-on-year***	**Mitigation of risk**
Loss of large client	Loss of revenue and hence lower profitability.	Retention of the Group's larger clients remains strong with minimal client losses in Sandaire prior to its sale and no losses in Yealand.	All client relationships are closely managed and monitored on a regular basis to ensure that all clients are satisfied with the services provided. The continued growth of the Yealand and Carvetian businesses ensures that the loss of any single client has a reducing effect.
Long term market downturn and volatility	Reduction in revenue and hence lower profitability.	Global equity markets continued to be volatile over the course of 2020. The markets suffered significant falls in Q1 as a result of the Coranavirus pandemic	The Sandaire investment process facilitated a swift reaction to market movements and the ability to reallocate across the asset classes as necessary. Yealand and Carvetian are not able to control the impact of market movements upon its revenues but ensure that costs are managed to accommodate any significant volatility in income. In addition there are a number of fees that are not correlated with the markets.
Unexpected increase in costs	Reduction in profitability.	BAU ("business as usual") costs were closely managed and were lower to reflect that the businesses were operating from home for most of the year in line with Government policy Other exceptional and project costs were managed and controlled.	Monthly management accounts are prepared against detailed budgets/forecasts and reviewed by management on a monthly basis. The Applerigg Board reviews actual and latest forecast results at each Board Meeting.
Failure to satisfy regulatory requirements	Fine or removal of permissions.	Permissions were revised as necessary to reflect all current regulated business activities.	Periodic review by internal and external compliance of business activities and permissions.

Coronavirus (COVID-19)

Since early 2020 the entire world has been affected by COVID-19, a highly infectious and deadly disease caused by a newly discovered coronavirus, which is classified as a pandemic by the World Health Organisation, its highest and most serious classification.

The unparalleled spread of the virus required Governments across the globe to take measures that were unprecedented in peace time to address the onslaught of the disease, which has impacted the global economy and daily life. While there have been other periodic economic disruptions due to financial shocks such as the financial crisis of 2008, the coronavirus crisis has had a much broader and far-reaching impact on our daily lives.

In March 2020, in line with the UK Government's advice that everyone should work from home wherever possible, all the Company's operating businesses successfully invoked their business contingency plans to ensure that all staff could work safely and effectively from home, as well as putting in place appropriate governance and operating controls for remote working. These measures ensured that the Company's businesses could continue to provide their full range of services with minimum disruption throughout the period. It is expected that this experience of working remotely will influence the future work pattern for the Group.

The significant initial fall in all stock markets across the globe and their subsequent volatility as all economies struggle with the challenges of COVID-19 had an impact on the revenues of the Group as a significant proportion is directly correlated with market levels, although the greatest impact was seen in Sandaire. However, although income fell in Q1 it did not cease as is the case for other businesses that were required to temporarily close.

In the light of the fall in markets, the operating businesses considered several scenarios to model the impact of a sustained reduction of income upon their profitability, cash flows and liquidity and identified the appropriate adjustments to expenditure that were required in each scenario to manage and mitigate the impact.

At the date of this report, the Company and its remaining operating businesses, Yealand and Carvetian, continue to operate efficiently and effectively and are maintaining a high level of service to all stakeholders - clients, staff and shareholders.

Activities and Financial Objectives

Applerigg Limited ("the Company") acts as a holding company and its principal investments are in its subsidiaries Sand Aire Limited (until its sale on 18 December 2020) and Yealand Group Limited (which comprises Yealand and Carvetian). The Company is committed to delivering increasing long-term value to its shareholders by pursuing a strategy of investing in companies and businesses that it believes will produce increasingly attractive returns over the medium to long term.

Sand Aire Limited is authorised and regulated by the Financial Conduct Authority (the "FCA") to undertake investment activities. Sand Aire Limited provided investment management and associated services to Stramongate SA, a related party, and other third-party clients.

In 2020, Yealand provided services to Open Ended Investment Companies ("OEICs") where the Authorised Corporate Director ("ACD") was either Carvetian or an externally owned and managed FCA regulated company.

Activities and Financial Objectives (continued)

Carvetian Capital Management Limited is regulated by the FCA and provided ACD services to forty-five investment funds.

Sand Aire (Singapore) (Pte) Ltd, which had held a Capital Markets Services Licence ("CMS Licence") issued by the Monetary Authority of Singapore for conducting the regulated activity of fund management in Singapore, ceased to hold its CMS Licence in January 2020 following the cessation of all investment activities in 2019.

Review of Operations

Sandaire provided advisory, discretionary investment management and other family office services to a small number of families, ultra-high net worth individuals, university endowments and charitable institutions who seek the long-term preservation and growth of their wealth. Sandaire, which invests on behalf of clients across all asset classes, operated a strategic asset allocation and a multi-manager approach with a commitment to the provision of unbiased expert advice and independence in investment.

Yealand provides administration and registration services to OEICs and Unit Trusts, which have a relatively small number of shareholders with a requirement for a premium level of service.

Carvetian is an ACD/Manager for forty-five regulated investment funds (OEICs and Unit Trusts).

Following the cessation of all regulated activities in 2019, Sandaire Singapore was then operated on a "care and maintenance" basis while the long-term future for the company were considered. The conclusion of that review was that the company should be placed into Members Voluntary Liquidation, which was effected on 8 October 2020. The value of the Company's investment in Sandaire Singapore was written down to £154,212 to reflect the 2020 losses, which included the expected costs of the liquidation.

Following the sale of Sandaire, Applerigg intends to use the proceeds to support the growth of Yealand and Carvetian, its continuing operating businesses, and to invest over time in a number of "asset backed" opportunities. This is in line with the Applerigg's strategy to deliver a sustained increase in the value of the Company over the medium to long term.

Financial Review

Turnover
Turnover for the year of £12,178,000 (2019: £12,242,000) represented a decrease of 5.2% over the 2019 figure.

Expenses
Expenses for the year of £13,907,000 (2019: £14,982,000) represented a decrease of 7.2% over the 2018 figure.

Key Performance Indicators

Performance can be assessed by reference to the annual profit on ordinary activities before goodwill amortisation and taxation, the total funds that were managed and advised by Sandaire and the total funds that are administered by Yealand.

The Consolidated operating Profit/(Loss) after goodwill amortisation and the sale of Sandaire that is shown in the consolidated profit and loss account can be analysed as follows:

	2020	2019	Change %
Operating loss on ordinary activities (before goodwill) - £'000	(1,716)	(2,722)	58.4
Funds managed and advised by Sandaire (2020 to 18 December 2020, the date of sale) - £m	2,406	2,346	2.6
Funds administered by Yealand - £m	2,901	2,708	7.1

	2020 £'000	2019 £'000
Sandaire – operating loss (2020 to 18 December 2020)	(1,648)	(2,171)
Sandaire Singapore – operating loss	(91)	(291)
Sandaire Group	**(1,739)**	**(2,462)**
Yealand – operating profit	822	636
Carvetian – operating profit	127	202
Yealand Group	**949**	**838**
Applerigg – operating loss	(926)	(1,098)
Consolidated operating loss before goodwill and sale of Sandaire	**(1,716)**	**(2,722)**
Goodwill amortisation	(40)	(1,313)
Profit on sale of Sandaire	21,427	-
Consolidated operating Profit/(Loss) after goodwill amortisation	**19,761**	**(4,035)**

The Consolidated operating loss before goodwill amortisation and the sale of Sandaire includes the actual losses reported by Sandaire, the profit for Yealand, the profit for Carvetian, the loss for Sandaire Singapore and the net expenses of the Company.

The reduction in Sandaire's loss reflects the action taken by management to manage the costs in light of the impact of the coronavirus on markets in Q1 2020, and hence revenues, and its challenge to increase income from both the core business and the new or enhanced business lines of Corporate Finance, Real Estate and Private Equity.

Sandaire Singapore's lower losses reflect the decision to cease all regulated activities in Singapore at the end of 2019. The company was placed in Members' Voluntary Liquidation on 8 October 2020

The increase in the Yealand Group's profit reflects that its operating businesses continued to grow in 2020 despite the challenges of the pandemic. Within Yealand Group, the increase in Yealand's profits and the decrease in Carvetian's profits reflects the higher recharge from Yealand to reflect the services provided.

Key Performance Indicators (continued)

The decrease in Applerigg's net expenses, which exclude all costs associated with the sale of Sandaire, reflects that 2019 included the one-off costs of the strategic review relating to Sandaire Singapore.

The profit recognised on the sale of Sandaire reflects both the direct proceeds and expenses and the accounting adjustments relating to the sale.

Going Concern
As noted above the coronavirus pandemic has impacted both the global economy and daily life. The Company's accounts have been prepared on the going concern basis of accounting, which assumes that the Company and its operating businesses will be able to operate as going concerns for a period of least twelve months from the date that the accounts are authorised for issue.

Applerigg is in a very strong financial position at the end of 2020 with the sale or closure of its loss-making businesses and the issue of additional ordinary shares to Stramongate in March 2020 that released the Company from its obligation to repay the principal amount of the loan previously drawn down from Stramongate and the accrued interest at that date.

The Company's balance sheet has no debt and the funds to support the growth of Yealand and Carvetian and to invest in "asset backed" opportunities in line with its strategy.

The Yealand and Carvetian businesses also demonstrated in 2020 their ability to continue to operate efficiently and effectively and to maintain their high level of service in unprecedented circumstances.

Post balance sheet events
There are no post balance sheet events.

Directors and their interests
The names of the Company's directors who served during the year are listed on page 7.

In accordance with Article 87, Mr Paolo Scalco, who was appointed a director and Chief Executive of the Company in December 2020, and Mr Edward Scott, who was appointed on 24 March 2021, retire and, being eligible, will seek reappointment at the forthcoming Annual General Meeting. In accordance with Article 82, Mr Mark Fuller will retire by rotation and, being eligible, will seek reappointment at the forthcoming Annual General Meeting.

No director held any material interest during the year in any contract of significance relating to the business of the Company other than those disclosed in note 18.

Corporate governance
As part of the reconstruction of the Stramongate group at the end of 2001, the Company was established as a separate entity from its founder client, Stramongate Limited. The shareholders of Stramongate Limited received shares in Stramongate S.A. (Stramongate") following a share exchange in 2011. While the Company and Stramongate are related parties in so far as they are owned by common shareholders they are managed as separate businesses with independent boards of directors. All contractual relationships between the Company and its subsidiaries and the contractual relationship between Sandaire and Stramongate are on an "arm's length" basis so that all clients of the Company and its subsidiaries enjoy the same status and service.

Corporate governance (continued)

Similarly, Carvetian, as the ACD of certain OEICs and Unit Trusts, has appointed Yealand to provide administration and other services and Carvetian has appointed Sand Aire Limited as Investment Manager for some OEICs and Unit Trusts. The contractual relationships between Carvetian and Yealand and between Carvetian and Sandaire are on an "arm's length" basis to ensure that all clients of Yealand Group enjoy the same status and service.

Sandaire ceased to be a related party on its sale to Schroders and at the end of 2020 there were no direct contractual relationships between Stramongate and the Company or any of its subsidiaries.

The FCA authorised and regulated firms within the Group all have processes and procedures to identify, manage and control the potential conflicts of interest.

This Strategic Report was approved by order of the Board and signed on its behalf on 8 June 2021.

Amanda Bateman

Amba Secretaries Limited
Company Secretary

Directors
The directors of the company throughout the year, and subsequently, were:

Oliver Sargent	*Non-executive Chairman* (from 25 June 2020)
F Alexander Scott	*Executive Chairman* (resigned 25 June 2020)
Mark Fuller	*Non-executive Director*
Stephen Hill	*Non-executive Director*
Mark Houghton-Berry	*Non-executive Director* (resigned 24 June 2020)
Bruce Offergelt	*Executive Director*
Paolo Scalco	*Executive Director (appointed 3 December 2020)*
Sir Christopher Scott, Bt.	*Non-executive Director*

Qualifying third party indemnity provisions
The Company has put in place qualifying third party indemnity provisions for the directors of Applerigg Limited.

Principal activity of Group and Company
The Company acts as the holding company for the Group's investments in its operating subsidiaries that, following the sale of Sandaire, focus on fund administration and ACD services.

Directors' duties
The Company's directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2003 ("Section 172"). In doing so, the directors must take into consideration the interests of the various stakeholders of the Company, the impact the Company has on the community and the environment, take a long-term view on consequences of the decisions they make as well as aim to maintain a reputation for high standards of business conduce and fair treatment between members of the Company.

Auditor
All the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the Company's auditor is unaware.

In accordance with section 485 of the Companies Act 2006, a resolution proposing to reappoint BDO LLP will be put at the Annual General Meeting.

Dividends
The directors do not recommend the payment of a dividend on the ordinary shares for the period under review (2019: nil).

Likely future developments in the business of the company
Information on likely future developments in the business of the Company has been included in the Strategic Report on page 1.

Financial risk management
Business risk
The key business risks faced by Sandaire up to its sale on 18 December 2020 were a reduction in the income earned, which resulted from a significant downturn in the market, the loss of clients, or the failure to control costs. In 2020, and in light of the impact of Coronavirus, the Sandaire management took action to reduce discretionary BAU and project spend to offset the reduction in income.

Business risk (continued)

The key business risk for the Yealand Group is not sustaining its revenues to provide cover for its fixed costs in the event of a reduction in income from either a significant downturn in the market or the loss of one or more clients. To address this risk the Yealand Group has produced a strategic plan and a detailed annual budget/reforecast against which performance is reported and measured.

The key business risk for Applerigg is not investing in future opportunities that deliver a long-term increase in value to its shareholders. This will be addressed by investing in a number of opportunities to diversify the execution risk, by undertaking appropriate due diligence before investing and by maintaining effective and efficient oversight of its investments.

Approval
This Directors' Report was approved by order of the Board and signed on its behalf on 8 June 2021.

Amanda Bateman

Amba Secretaries Limited
Company Secretary

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 group and company 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 group and company and of the profit or loss of the group and company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Applerigg Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated cash flow statement, Consolidated and company's statement of changes in equity 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group's and Parent 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 directors are responsible for the other information. The other information comprises the information included in the Strategic report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Other Companies Act 2006 reporting

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 31 December 2020 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 material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities, 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.

Responsibilities of Directors (continued)

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was 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 have considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We have then evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:

  – identifying, detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

  – the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above; 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.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Ariel Grosberg (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker St
London
W1U 7EU
8 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income
For the year ended 31 December 2020

	Notes	Discontinued 2020 £'000	Continuing 2020 £'000	Total 2020 £'000
Turnover	3	8,294	3,884	12,178
Administrative expenses		(9,949)	(3,958)	(13,907)
Other operating income	4 (a)	10	3	13
Operating loss before amortisation		(1,645)	(71)	(1,716)
Other operating expenses	4 (b)		(40)	(40)
Sale of Sand Aire Limited	5	-	21,427	21,427
Operating Profit/(Loss)		(1,645)	21,316	19,671
Interest payable and similar charges		-	(110)	(110)
Interest receivable and similar income		1	5	6
Profit/(Loss) on ordinary activities before taxation	6	(1,644)	21,211	19,567
Tax on ordinary activities	7	(161)	161	-
Loss on ordinary activities after taxation		(1,805)	21,372	19,567
Minority interests		-	-	-
Retained loss for the year		(1,805)	21,372	19,567
Currency translation differences			(2)	(2)
Total comprehensive profit/(loss) for the year		(1,805)	21,370	19,565

Notes on pages 21 to 37 form part of these financial statements.

Applerigg Limited

Consolidated statement of comprehensive income
For the year ended 31 December 2020

	Notes	Discontinued 2019 £'000 Restated	Continuing 2019 £'000	Total 2019 £'000
Turnover	3	8,537	3,705	12,242
Administrative expenses		(11,219)	(3,965)	(15,184)
Other operating income	4 (a)	18	-	18
Operating loss before amortisation		(2,664)	(260)	(2,924)
Other operating expenses	4 (b)	-	(1,313)	(1,313)
Operating loss		(2,664)	(1,573)	(4,237)
Interest payable and similar charges	6	-	(373)	(373)
Interest receivable and similar income		*6*	*10*	*16*
Loss on ordinary activities before taxation		(2,658)	(1,936)	(4,594)
Tax on ordinary activities	7	-	3	3
Loss on ordinary activities after taxation		(2,658)	(4,933)	(4,591)
Minority interests		-	-	-
Retained loss for the year		(2,658)	(4,389)	(4,591)
Currency translation differences			1	1
Total comprehensive loss for the year		(2,658)	(4,388)	(4,590)

Notes on pages 21 to 37 form part of these financial statements.

Applerigg Limited

Consolidated statement of financial position
as at 31 December 2020

	Notes	2020 £000	2019 £000 Restated
Fixed Assets			
Intangible assets	10	188	5,554
Tangible assets	11	54	240
Other investments	12	10	18
		252	5,812
Current Assets			
Debtors - due within one year	13	1,319	4,434
Cash at bank and in hand		30,787	6,490
		32,106	10,924
Debtors: amounts falling due within one year			
Creditors: amounts falling due within one year	14	(4,221)	(3,066)
Net current assets		27,885	7,858
Total assets less current liabilities		28,137	13,670
Debtors: due after more than one year	15	4,997	-
Creditors: amounts falling due after more than one year	16	-	(8,001)
Provisions for liabilities and charges	17	-	(207)
Net Assets		33,134	5,462
Capital and Reserves			
Called up share capital	19	5,777	4,642
Share premium account		30,134	23,158
Profit and loss reserve		(2,777)	(22,342)
Equity attributable to owners of the Company		33,134	5,458
Non-controlling interests		-	4
Total equity		33,134	5,462

Notes on pages 21 to 37 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue, and signed on its behalf, on 8 June 2021.

Oliver Sargent
Chairman

Bruce Offergelt
Director

Applerigg Limited registered number 4265943

Applerigg Limited

Company statement of financial position
as at 31 December 2020

	Notes	2020 £000	2019 £000
Fixed Assets			
Shares in subsidiary undertakings	12	2,720	21,677
Other investments	12	-	-
		2,720	21,677
Current Assets			
Debtors - due within one year	13	86	95
Cash at bank and in hand		27,169	881
		27,255	976
Creditors: amounts falling due within one year	14	(3,225)	(1,172)
Net current assets		24,030	(196)
Total assets less current liabilities		*26,750*	*21,481*
Debtors: due after more than one year	15	4,997	-
Creditors: amounts falling due after more than one year	16	-	(8,001)
Net Assets		31,747	13,480
Capital and Reserves			
Called up share capital	17	5,777	4,642
Share premium account		30,134	23,158
Profit and loss account		(4,164)	(14,320)
Equity attributable to owners of the Company		31,747	13,480

Notes on pages 21 to 37 form an integral part of these financial statements.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not prepared its own statement of comprehensive income in these financial statements. The profit after tax of the Parent Company for the year was £10,156,000 (2019: loss of £2,797,000).

The financial statements were approved by the Board of Directors and authorised for issue, and signed on its behalf, on 8 June 2021.

Oliver Sargent
Chairman

Bruce Offergelt
Director

Applerigg Limited registered number 4265943

1 Accounting policies (continued)

Investments – fixed assets
Shares in Group undertakings in the Company balance sheet are stated at cost less impairment. The directors review the carrying value of investments at each balance sheet date. Where it is considered that a permanent diminution in value has occurred the value of the investment is written down and charged to the profit and loss account.

Tangible assets - depreciation
Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is provided to write off the cost of computer equipment, office refurbishment and office furniture and fittings by equal instalments over their estimated useful economic life, as follows:

Computer equipment	2 to 3 years
Office refurbishment	10 years
Office furniture	5 years

Depreciation is included in Administrative expenses.

Foreign currencies
Transactions involving foreign currencies are translated at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Foreign exchange differences arising on the translation of foreign subsidiaries are shown as a movement to reserves.

Operating leases
Costs of operating leases are charged to the profit and loss account on an accruals basis.

Taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed as and when all conditions for retaining associated tax allowances have been met.

1 Accounting policies (continued)

Taxation (continued)
Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Classification of financial instruments issued by the Company
Financial assets
Trade and other receivables are classified as loans and receivables and are measured at cost less any impairment.

Financial liabilities
Financial liabilities are carried at amortised cost, calculated on an accruals basis.

Borrowings
Interest bearing loans are recorded at the proceeds received net of direct issue costs. Finance fees are accounted for in the statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument.

Turnover
Turnover represents management and administration fees recognised on an accruals basis.

Pension
The Company operates one defined contribution pension scheme. The assets of this scheme are held separately from those of the Company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to this scheme in respect of the accounting period.

Share scheme
The Sand Aire Limited Long Term Incentive Plan provided the participants with the opportunity to purchase shares in Sand Aire Limited. These were issued at the full unrestricted market value but were subject to vesting conditions as set out in Sand Aire Limited's Articles.

Unaudited trading subsidiaries
Both Yealand Group Limited and The Private Investment Office Limited were entitled to exemption from audit in accordance with section 479a of the Companies Act 2006.

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Termination benefits
Employee benefits provided in exchange for the termination of an employee's employment as a result of either (i) an entity's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits are charged to profit or loss in the year in which they become payable. Payments made during the year are shown in note 8.

2 Judgements and key sources of estimation and uncertainty

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In preparing these financial statements, the Directors have made the following judgements and estimations, which have the most significant effect on the amounts recognised in the financial statements:

- Determine whether there are indicators of impairment of the Company's unlisted investments. The Directors use independent valuations or discounted cash flow techniques to determine whether there has been an impairment of the asset.
- Determine the value of any provisions. Where a provision arises, the Directors assess all the relevant facts available to them, which may include input from third parties to calculate the amount provided.
- Useful lives of tangible assets – items are depreciated over their useful life.
- Useful lives of intangible assets – items are amortised over their useful life.

3 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services.

	2020 £000	2019 £000
Continuing		
Investment Management Fees	-	-
Administration and Consultancy fees	3,884	3,705
	3,884	3,705
Discontinued		
Investment Management Fees	8,161	8,321
Administration and Consultancy fees	133	216
	8,294	8,537
Total	12,178	12,242

Sand Aire Limited and Sand Aire (Singapore) (Pte.) Ltd are classified as discontinued businesses to reflect the sale of the former and the liquidation of the latter.

	2020 £000	2019 £000
United Kingdom	12,178	12,187
Singapore	-	55
	12,178	12,242

Turnover is generated within the United Kingdom and Singapore.

4 Other operating income and expenses

		2020	2019
		£000	**£000**
(a)	*Other income*		
	Rental income	-	4
	Other income	13	14
		13	18
(b)	*Other operating expenses*		
	Amortisation of goodwill	-	(1,204)
	Amortisation of relationship value	(40)	(89)
	Amortisation of contract value		-
	Impairment	-	(20)
		(40)	(1,313)

5 Sale of Sandaire

On 18 December 2020 Applerigg completed the sale of 100% of the issued share capital of Sand Aire Limited to Schroder & Co. Limited for £35m. The profit on sale recognised in the Consolidated statement of Comprehensive Income of £21.4m is calculated as follows:

	2020
	£000
Sale proceeds (net of discounting)	34,747
Costs of sale	(3,986)
Net assets of Sand Aire Limited	(10,571)
Adjustment of Group amortisation of goodwill	1,237
Profit on sale	21,427

£2.8m of the sale proceeds were retained by Schroders to settle the amounts payable to Sandaire and Schroders. £5.25m of the sale proceeds are being held in an escrow account and will be released to the Company in December 2022 but is contingent upon certain conditions being satisfied. The Company believes that these conditions will be satisfied and has recognised the current discounted value of the escrow account within 'Debtors: due after more than one year' in the Company and the Consolidated statement of financial position.

6 Operating loss

	2020	2019
This is arrived at after charging:	**£000**	**£000**
Depreciation and amounts written off tangible fixed assets – owned	133	125
Amortisation	40	1,293
Impairment	-	20
Operating lease rentals - land and building	607	657
Operating lease rentals – other	8	9
Fees payable to the Company's auditor for the audit of the Company's annual accounts	41	13

Operating loss (continued)

Fees payable to the Company's auditor and its associates for other services:		
- The audit of the Company's subsidiaries	77	77
- CASS audit	21	21
- Other services	17	56
- Tax services	15	18

7 Taxation

(a) *Factors affecting tax charge for the year*

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

	2020	***2019***
	£000	**£000**
Profit/(Loss) on ordinary activities before tax	19,567	(4,392)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	3,717	(834)
Effects of:		
Expenses not deductible for tax purposes	22	356
Capital allowances in excess of depreciation	(7)	-
Profits not chargeable against tax	(4,071)	
Deferred tax asset not recognised	339	475
Adjustments to tax charge in respect of previous periods	-	-
Group total tax charge for the year	-	(3)

Tax losses not utilised are carried forward to be offset against future profits. The adjustment in respect of prior years reflects the correction of estimates made in prior years.

(b) *Deferred Tax*

The Group has unrecognised deferred tax assets carried forward of £984,960 (2019: £1,001,000) in respect of unutilised losses. The Group has unrecognised tax losses carried forward of £5,184,000 (2019: £5,891,000). The Deferred tax asset at the end of 2019 was calculated at 17% as the Budget Resolution to retain the 19% corporation tax rate was passed on 17 March 2020, which was after the balance sheet date. The impact of the change of rate to 19% on the deferred tax asset at the end of 2019 would be to increase it to £1,119,000.

8. Remuneration of directors

	2020	**2019**
	£000	**£000**
Directors' emoluments – executive directors	462	395
Directors' emoluments – non-executive directors	180	183
Company contribution to money purchase pension scheme	4	12
Other benefits in kind	9	11
	655	601

Remuneration of directors (continued)

Emoluments of the highest paid director	2020	2019
	£000	£000
Director's emoluments	261	204
Total emoluments	261	204
Company contribution to defined contribution pension scheme		
- Paid by other Group companies	-	12

1 director (2019: 1) accrued retirement benefits under a defined contribution pension scheme.

9. Employees

	2020	2019
Average number of persons, including executive directors, employed by the Group	81	83
	£000	£000
Wages and salaries	6,558	6,882
Social security costs	802	848
Compensation for loss of office	-	3
Pension costs	481	486
Aggregate remuneration paid and payable	7,481	8,219

10. Intangible assets

Group	Contract value £'000	Relationship value £'000	Goodwill £'000	Total £'000
Cost				
At beginning of year	183	4,710	15,137	20,030
Additions	-	-	-	-
At end of year	183	4,710	15,137	20,030
Accumulated amortisation				
At beginning of year	183	4,274	10,018,	14,475
Charge for the year	-	40	-	40
Sale of Sandaire	-	208	5,119	5,327
At end of year	183	4,522	15,137	19,842
Net book value at 31 December 2020	-	188	-	188
Net book value at 31 December 2019	-	516	5,038	5,554

The goodwill and relationship value are amortised over a period of 10 years. The contract value is amortised over 1 year. The intangible value in relation to Lord North Street of £5,326,000 at the end of 2019 was written off and included as part of the costs associated with the sale of Sand Aire Limited. This reflects that it was associated with the Lord North Street clients that were transferred to Sand Aire Limited in 2019. Previously it had been

Intangible assets (continued)

reviewed annually using a discounted cash flow, which assumes nil growth, and a weighted average cost of capital of 12%.

11. Tangible fixed assets

	2020 £000	2019 £000
Group		
Fixtures, fittings, tools and equipment		
Cost		
At beginning of year	1,683	2,114
Additions	43	39
Disposals during the year	(626)	(470)
Disposals on sale of Sand Aire Limited	(636)	-
At end of year	464	1,683
Depreciation		
At beginning of year	1,443	1,787
Charge for the year	133	125
Disposals during the year	(591)	(469)
Disposals on sale of Sand Aire Limited	(575)	-
At end of year	410	1,443
Net book value at end of year	54	240
Net book value at beginning of year	240	327

12. Fixed asset investments

Company		
Subsidiary undertakings	**2020**	**2019**
Cost	**£000**	**£000**
At beginning of year	30,661	26,480
Additions	272	4,181
Transfers from other subsidiaries	866	-
Sale of Subsidiaries	(25,025)	-
At end of year	6,774	30,661
Provision for impairment		
At beginning of year	8,984	6,943
Written off	124	2,041
Sale of Subsidiaries	(5,053)	-
At end of year	4,054	8,984
Net book value	2,720	21,677

Just before Sand Aire Limited was sold to Schroder & Co. Limited on 18 December 2020, the Company subscribed £202,401 to make the 40,889 part paid ordinary shares fully paid and acquired the 445,000 A ordinary that were issued in 2018 under an LTIP scheme for a total cost of £69,207.

During the year, the Company carried out an impairment review of its investment in Sand Aire (Singapore) (Pte.) Ltd. and as a result wrote down its value by £92,379 (2019: £291,422). Sand Aire (Singapore) (Pte.) Ltd was placed into "Members' Voluntary Liquidation" on 7 October 2020.

Following the acquisition of Lord North Street Limited and Northbridge UK Limited from Sand Aire Limited during the year the Company carried out an impairment review of its investment in these companies As a result the Company wrote down the value of Lord North Street Limited by £5,750 and the value of Northbridge UK Limited by £24,689.

12. Fixed asset investments (continued)

Other investments	2020	2019
Group	**£000**	**£000**
Cost		
At beginning of year	224	224
Disposals	(74)	-
At end of year	150	224
Provision for impairment		
At beginning of year	206	167
Written off	2	3
Impairment	-	36
Disposals	(68)	-
At end of year	140	206
Net book value	10	18
Works of art	10	10
Debentures	-	8
Mount Kendal	-	-
	10	18

The Group's investments in Mount Kendal, which had been written down to zero in 2018, and the debentures were both disposals in 2020.

Other Investments	2020	2019
Company	**£000**	**£000**
At beginning of year	176	176
Disposals	(36)	-
At end of year	140	176
Provision for impairment		
At beginning of year	176	140
Written off	-	36
Disposals	(36)	-
At end of year	140	176
Net book value	-	-

In 2017 the Company made a strategic investment in Mount Kendal. During 2019 it was decided to exit from that business and the investment was written off. The investment was a disposal in 2020.

In 2017 the Company made a strategic investment Horizons Next Gen Limited. This was written down to zero at the end of that year following an impairment review of the investment.

12. Fixed asset investments (continued)

Subsidiary undertaking	*Country of Incorporation*	*Principal Activity*	*Percentage of ordinary shares held*
Applerigg International Limited*+	England	Dormant	100
Applerigg Services Limited *+	England	Dormant	100
Carvetian Capital Management Limited #	England	Authorised Corporate Director	100
Carvetian Nominees Limited *#	England	Dormant	100
Cartmel Care Homes Limited*+	England	Dormant	100
Cartmel Care Midco Limited*+	England	Dormant	100
Lord North Street Limited *+	England	Non Trading	100
Northbridge Management Limited *~	England	In Liquidation	100
Northbridge UK Limited *~	England	In Liquidation	100
The Private Investment Office Limited *+	England	Intellectual Property	100
Sand Aire (Singapore) (Pte.) Ltd* ^	Singapore	In Liquidation	100
Wenvoe Care Home Limited*+	England	Dormant	100
Yealand Administration Limited #	England	Administration Services	100
Yealand Group Limited *#	England	Dormant	100

* Exempt from audit.

Registered Offices:
+ New Kings Court Tollgate, Chandler's Ford, Eastleigh, SO53 3LG
~ Kings Orchard, 1 Queen Street, Bristol. BS2 0HQ
# Stuart House, St John Street, Peterborough, PE1 5DD
^ Six Battery Road, #42-53, Singapore (049409)

13. Debtors

	2020 £000	2019 £000
Amounts falling due within one year		
Group		
Trade debtors	1,093	1,564
Corporation tax	11	97
Other debtors	93	602
Prepayments and accrued income	122	2,171
	1,319	4,434

Company		
Amounts due from Group undertakings	-	4
Corporation tax	-	-
Other debtors	77	76
Prepayments and accrued income	9	15
	86	95

Other debtors include an amount of £74,376 (201: £72,376) representing a loan to Horizons Next Gen Ltd. The loans have no fixed repayment term and are repayable on demand.

14. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts falling due within one year		
Group		
Trade creditors	3,722	1,297
Other taxation and social security	105	304
Other creditors	29	177
Accruals and deferred income	365	1,288
	4,221	3,066
Company		
Trade creditors	2,406	2
Amounts owed to Group undertakings	775	961
Other taxation and social security	41	5
Other creditors	3	117
Accruals and deferred income	-	87
	3,225	1,172

15. Debtors: Due after more than one year

	2020 £000	2019 £000
Due after more than one year		
Group		
Amount held in escrow	4,997	-
	4,997	-
Company		
Amount held in escrow	4,997	-
	4,997	-

As stated in Note 5, £5.25m of the sale proceeds are being held in an escrow account and will be released to the Company in December 2022 but is contingent upon certain conditions being satisfied. The Company believes that these conditions will be satisfied and has recognised the current discounted value of the escrow account within 'Debtors: due after more than one year'.

16. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Amounts falling due after more than one year		
Group		
Other loans	-	8,001
	-	8,001

16. Creditors: Amounts falling due after more than one year (continued)

Company		
Other loans	-	8,001
	-	8,001

On 27 July 2016, the Company entered into an arrangement with Stramongate SA whereby Stramongate SA would provide loan facilities to the Company of up to £3 million and $6.75 million. The rate of interest was 5% above the LIBOR rate. Repayment of the loan was due to commence on the 5th anniversary, but the loan could be repaid earlier. On 27 March 2020, the Company issued 113,455,110 ordinary shares to Stramongate SA in consideration for Stramongate SA agreeing to release the Company from its obligation to repay the principal amount of the loan drawn down and the accrued interest that was unpaid as at 26 March 2020.

17. *Provisions for liabilities and charges*

	Dilapidations Restated	Deferred tax provision	Total Restated
	£000	£000	£000
At beginning of year	202	5	207
Additions	-	-	-
Released on sale of Sand Aire Limited	(202)	(5)	(207)
At end of year	-	-	-

The restated provision for dilapidations as at 31 December 2019 reflected the expected cost of reinstating the offices leased by Sand Aire Limited at 105 Wigmore Street where the lease expires in September 2021. This was released and charged as part of the costs of sale of Sand Aire Limited.

18. Operating Leases

The Group had minimum lease payments under non-cancellable operating leases as set out below:

	2020		2019	
	Land and Buildings	Other	Land and Buildings	Other
Operating leases which expire:	£000	£000	£000	£000
Within one year	63	-	733	7
In the second to fifth years inclusive	37	-	589	-
	100	-	1,322	7

The Company had no lease payments and the lease payments for the period after 2020 reflect those of Yealand Administration Limited following the sale of Sand Aire Limited in 2020.

19. Share capital

	2020 £000	2019 £000
Issued:		
406,013,730 (2018: 292,558,620) ordinary shares of 1 pence each fully paid	4,060	2,925
3,773,625 (2018: 3,773,625) ordinary shares of 1 pence each partly paid	38	38
167,892,099 (2018: 167,892,099) deferred shares of 1 pence each fully paid	1,679	1,679
	5,777	4,642
Shares classified as equity	5,777	4,642
	5,777	4,642

The ordinary shares have the right to participate in dividends and to receive notice of and to attend meetings of the Company. On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities, costs and expenses shall be distributed among the holders of ordinary shares in proportion to the numbers of ordinary shares held by them.

The deferred shares shall have the following rights and be subject to the following restrictions:

Income
Deferred shares shall have no right to participate in any dividend or other distribution of income of the Company.

Capital
On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities, costs and expenses shall be distributed among the holders of ordinary shares in proportion to the numbers of ordinary shares held by them, provided that, after the sum of £10,000 has been paid in respect of each ordinary share, the next £100 of any remaining balance shall be distributed among the holders of the deferred shares in proportion to the numbers of deferred shares held by them in full satisfaction of their rights in respect of such surplus.

Voting
The holders of deferred shares shall not in that capacity have any right to receive notice of or to attend meetings of the Company and the deferred shares shall carry no right to vote.

Transfer
None of the restrictions on the transfer of shares shall apply to deferred shares, but the directors of the Company shall instead have absolute discretion whether to approve any proposed transfer of deferred shares and no such transfer shall be made or registered without such approval.

Compulsory Transfer
Compulsory transfer shall not apply to deferred shares, but on completion of a qualifying sale the Purchaser shall be entitled to purchase and be registered as the holder of all the deferred shares in consideration for payment of the sum of £100 which shall be paid to the Company to be held on behalf of the holders of the deferred shares and, if more than one, as nearly as possible in proportion to their respective holdings.

20. Related party disclosures

Oliver Sargent, Sir Christopher Scott, Bt., Mr Mark Houghton-Berry and Mr Bruce Offergelt served as directors of Sand Aire Limited during the year, which received £ (2019: £1,342,103) from Stramongate S.A. with respect to investment management and administration services provided.

During 2017 the Company made a strategic investment to acquire a 24% stake in Mount Kendal Limited for £36,000. This investment was impaired to £nil in 2019 and was a disposal in 2020.

During 2017 the Company acquired 140,000 redeemable deferred shares and 3 ordinary shares in Horizons Next Gen Limited. The Company has provided a loan of £74,076 (2019: £72,376) which remains outstanding at 31 December 2020. Mr Kydd Boyle, who is a director of Horizons Next Gen Limited, is a shareholder in Applerigg Limited.

During the period until its sale Sand Aire Limited received £103,353 (2019: £142,862) under an investment management agreement from Mr Mark Houghton-Berry, who was a director of that company until 5 March 2020. At the year end £nil (2018: £43,020) of this total was yet to be received following the sale of Sand Aire Limited.

During the period until its sale Sand Aire Limited received £5,922 (2019: £2,420) under an investment management agreement from Sir Christopher Scott, Bt.. At the year end nil (2019: £2,420) of this total was yet to be received following the sale of Sand Aire Limited.

In 2019 Sand Aire (Singapore) (Pte.) Ltd received US$7,849 under an investment management agreement from Fontenoy Holdings Limited. Mr Michael Coleman is an ultimate beneficiary of the company. Sand Aire (Singapore) (Pte.) Ltd also received US$13,736 under an investment management agreement from Mr Michael Coleman. Sand Aire (Singapore) (Pte.) Ltd received no amounts in 2020 as it ceased all investment activities in 2019. Mr Michael Coleman is a director of Sand Aire (Singapore) (Pte.) Ltd, which was placed 'Members' Voluntary Liquidation' in 2020.

21. Contingent liabilities

The Company has agreed to act as 'Authorised Guarantor' for the rent on the lease for the premises that Yealand Administration Limited has entered into an arrangement with Anglo Scandinavian Estates III LLP who is the owner of the building. The contingent liability is £75,583 (2019: £75,583).

22. Pensions

During the year 86 (2019:81) staff participated in defined contribution pension schemes.

The total pension cost for the Group was £481,373 (2019: £486,402). At the year-end £nil (2019: £22,414) of contributions were outstanding and included in creditors. Of this total, £nil (2019: £1,003) represents contributions accrued for employees who have not joined a pension scheme at year end.

23. Long Term Incentive Plan

The Long Term Incentive Plan ("LTIP"), which was introduced by Sand Aire Limited in 2009 and wound up in 2015, issued shares in Sand Aire Limited that were partly paid.

As part of the sale of Sand Aire Limited to Schroder & Co. Limited the partly paid shares, which were held by the Company following the wind up of the LTIP, were made fully paid and then sold to Schroders as part of the sale.

There are no partly paid shares in issue held by the Company as at 31 December 2020 as summarised below.

	2020		2019	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Part paid shares subject to vesting held at the beginning of the year	40,889	£5.15	40,889	£5.15
Issued during the year	-	-	-	-
Made fully paid during the year	(40,889)	(£5.15)	-	-
Part paid shares subject to vesting held at the end of the year	-	-	40,889	£5.15

During 2018 Sand Aire Limited introduced a new LTIP scheme and issued 445,000 'A' ordinary shares of 1p each. Under the terms of the scheme the shares were due to vest as to one-third on the first anniversary of their date of acquisition, as to one third after the second anniversary and as to the balance on the third anniversary. One year after the shares had fully vested and in each subsequent year up to 25% of the initial allocation could then be offered for sale at the prevailing market value. The shares could only be sold if the price at the end of the three-year period was 9.3% above their initial value.

With the sale of Sand Aire Limited the vesting of the shares was accelerated and the Company acquired all the 445,000 shares that were issued from the LTIP holders at prices which reflected their status under the scheme for a total consideration of £69,207. These shares were sold to Schroder & Co. Limited as part of the sale.

24. Post balance sheet events

There are no post balance sheet events.

25. Ultimate Controlling Party

The shares of Applerigg Limited are held directly and indirectly on behalf of the descendants of Sir James William Scott, who are considered to be the Ultimate Controlling Party.