

Chilton Investment Company Limited

Report and Financial Statements

31 December 2021

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COMPANIES HOUSE

Chilton Investment Company Limited

Directors

J Duckworth-Chad
P Kim

Secretary

TMF Corporate Administration Services Ltd
P Kim

Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

Bankers

Barclays Bank
38 Hans Crescent
Knightsbridge
London SW1X 0LZ

Solicitors

Simmons & Simmons
CityPoint
One Ropemaker Street
London EC2Y 9SS

Registered Office

8th Floor, 20 Farringdon Street
London, United Kingdom
EC4A 4AB

Directors' Report

The directors present their report and financial statements of Chilton Investment Company Limited (the Company) for the year ended 31 December 2021.

Principal activity

Chilton Investment Company Limited is registered with the Financial Conduct Authority (FCA). FCA registration number is 229036.

The principal activities of the Company are the provision of non-independent investment advice and marketing services pursuant to an Amended and Restated Non-Independent Investment Advice Agreement with Chilton Investment Company, LLC, a limited liability Company organised under the laws of the United States and the Company's parent (the "Parent").

Directors

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

J Duckworth-Chad
P Kim

The directors are not expecting the continued effects of COVID-19 to have a material impact on the Company's future operations, ability to continue trading and future profitability. The Company's Parent has sufficient financial resources to continue paying the service fee due to the Company, on time. The Company also has sufficient working capital to meet its short-term liabilities as they arise. There have been no other significant events affecting the Company since the year end.

Disclosure of information to auditors

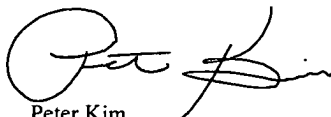
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditor

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Peter Kim
Director
22 April 2022

Strategic Report

Results and dividends

The loss for the year, after taxation, amounted to £(1,476,220) (2020 £(1,240,480)). The directors do not recommend a payment of a dividend for the year.

Review of the business

Prior to 2020, the Company's key performance indicators were its management and performance fee income. Effective 1 January 2010 and re-stated on 3 January 2018, Chilton Investment Company Limited entered into an Amended Sub-Manager Agreement with its parent, Chilton Investment Company, LLC. Pursuant to the Sub-Manager Agreement, the Company received payments from its Parent in the event the Affiliated Manager Fee Income was less than the Company's Costs. Following personnel changes at the Company in the latter part of 2019, the Company changed its permissions with the Financial Conduct Authority ("FCA") and entered in to an Amended and Restated Non-Independent Investment Advise Agreement with its Parent effective July 15, 2019. Given the change in FCA permissions and the corresponding amendment to the Sub-Manager Agreement, the Company did not receive any Affiliated Manager Fee Income in 2020. The Company hired a new Deputy Portfolio Manager in September 2020 and subsequently applied to change its permissions with the FCA to allow it to act as sub-manager to Chilton Investment Company LLC. The FCA approved the application in December 2020 and the Company began providing these services in 2021. The Deputy Portfolio Manager was initially seconded back to his previous employer to provide for continuity in funds that were transferred on September 7, 2021, to the Company after receiving all necessary regulatory permissions. As such, the Company entered into a Cooperation Agreement to share revenue and expenses related to the Deputy Portfolio Manager's then existing funds. The Company's Other Income (including the Cooperation Agreement revenue share of £735,970), Affiliated Manager Fee Income and Operating Profits are as follows:

	2021 £	2020 £	Change %
Other Income	739,278	72,250	923.22
Affiliated Manager Fee Income	274,070	-	NA
Operating Profit/(Loss)	(1,476,220)	(1,512,573)	-2.40

Shareholder's funds at 31 December 2021 were £508,193 (2020 £1,908,905).

Principal risks and uncertainties

The Company's credit risk is primarily attributable to its cash and receivables balances. The Company maintains its cash in bank deposits. The credit risk with respect to the Cooperation Agreement revenue share is not significant, due to the payment terms extended to clients of the underlying funds, the secondment of the Deputy Portfolio Manager and the terms of the Cooperation Agreement. A significant portion of the amount due the Company pursuant to the Cooperation Agreement was received in 2021 with the remainder received in January 2022.

Cash flow risk is managed by the receipt of receivables due from the Company's Parent, Chilton Investment Company, LLC to cover operating expenses incurred. Thus, the Company always has cash available to settle liabilities as they fall due.

The Company is protected against liquidity risk as payments from the Parent are received on a consistent basis prior to the settlement date of liabilities.

From an operational perspective, the key risk relates to the potential for non-compliance with the regulations issued by the Financial Conduct Authority that could lead to the Company being subject to a

Strategic Report (continued)

fine or a ban on its activities. This is managed through regular review of the Company's compliance framework by Senior management.

Additionally, we have considered the effects of the COVID-19 pandemic on the Company's operations and have concluded that the impact has been and is likely to continue to be limited. The Company will continue to follow the advice issued by the UK Government pertaining to the COVID-19 pandemic and can quickly shift to a detailed plan that enables effective operation to continue whilst employees are not physically present in the Company's offices if necessary.

The directors acknowledge the outbreak of Coronavirus (COVID-19) and the uncertainty resulting from it. The full extent to which the COVID-19 pandemic may impact Company's results, operations or liquidity in future is uncertain, however, there has been no major downside for the Company in past two years. Management continues to monitor the impact that the COVID-19 pandemic has on the Company (refer to note 1).

The directors acknowledge the conflict and related sanctions in Ukraine, Russia and/or Belarus and the uncertainty resulting from it. The Company's operations have not been impacted by the conflict to date however management continues to monitor the potential impact to the Company.

The directors of the Company have determined that the Company has sufficient financial resources and liquidity to meet its short-term liabilities as they fall due, and that the Parent confirmed in its letter of support to the Company that it will provide financial support to meet the Company's liabilities if required for a period of at least 12 months from the date of approval of the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the Company's financial statements.

The Company will continue to have the financial risk management at the top of its agenda. Risk management framework is evolved on a regular basis and managed by providing clear risk policy & training.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial and liquidity position of the Company are set out in the Statement of Financial Position on page 13. The Company also has adequate net current assets and controllable expenditures. The directors therefore have a reasonable expectation that the Company will continue in operational existence and continue to adopt the going concern basis of accounting in preparing the annual financial statements.

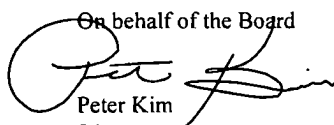
Pillar 3 disclosures and Commitment to UK Stewardship Code

The Company was an exempt CAD firm and provided no investment management services in 2020, and therefore was not subject to a Pillar 3 or commitment to UK Stewardship Code disclosure requirement by the Financial Conduct Authority.

Developments

Chilton Investment Company Limited ("Chilton UK") was granted approval by the Financial Conduct Authority in December 2020 to provide discretionary investment management services to its parent company, Chilton Investment Company LLC., as sub-manager in respect of the Chilton European Equities Strategy. The Company began providing such services to its Parent as of 1 May 2021.

On behalf of the Board



Peter Kim
Director

22 April 2022

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

Independent Auditor's Report

to the shareholder of Chilton Investment Company Limited (continued)

Opinion

We have audited the financial statements of Chilton Investment Company Limited for the year ended 31 December 2021 which comprise Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and the related notes 1 to 17, 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 company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent Auditor's Report

to the shareholder of Chilton Investment Company Limited (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

Independent Auditor's Report

to the shareholder of Chilton Investment Company Limited (continued)

going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company is required to comply with relevant Financial Conduct Authority's (FCA) rules and regulations relating to its operations.
- We understood how Chilton Investment Company Limited is complying with those frameworks by making enquiries of management and by seeking representation from those charged with governance. We corroborated our understanding by reviewing Board meeting minutes and relevant policy and procedures manuals. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We recalculated the revenue based on the arrangement applied by management and tested a sample of inputs in the calculation back to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses, review of breaches and complaints register, and review of Board meeting minutes.

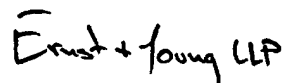
Independent Auditor's Report

to the shareholder of Chilton Investment Company Limited (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ahmer Huda (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
22 April 2022

Statement of Comprehensive Income

for the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	2	1,013,349	230,773
Gross Profit		1,013,349	230,773
Administrative expenses		(2,489,569)	(1,743,346)
Operating Profit(Loss)	3	(1,476,220)	(1,512,573)
Other income		—	—
Profit(Loss) on ordinary activities before taxation		(1,476,220)	(1,512,573)
Taxation	6	—	272,093
Profit(Loss) for the financial year		(1,476,220)	(1,240,480)

All activities are derived from continuing operations.

The Company incurred no other comprehensive income during the year (2020: none). Accordingly, the profit for the financial year is equivalent to the Company's total comprehensive income.

Notes 1-17 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2021

	<i>Share capital £</i>	<i>Share premium account £</i>	<i>Contribution from Parent £</i>	<i>Profit and loss account £</i>	<i>Total equity £</i>
At 1 January 2020	61	1,499,940	–	1,649,384	3,149,385
Loss for the year	–	–	–	(1,240,480)	–
At 1 January 2021	61	1,499,940	–	408,904	1,908,905
Loss for the year	–	–	–	(1,476,220)	–
Contribution from Parent	–	–	75,508	–	–
At 31 December 2021	61	1,499,940	75,508	(1,067,316)	508,193


Notes 1-17 form an integral part of these financial statements

Statement of Financial Position

for the year ended 31 December 2021

	Notes	2021 £	2020 £
Non current assets			
Tangible fixed assets	7	273,159	274,494
Deferred tax asset	6	—	—
		<u>273,159</u>	<u>274,494</u>
Current assets			
Debtors	8	922,578	2,418,365
Cash and cash equivalents		640,034	71,275
		<u>1,562,612</u>	<u>2,489,640</u>
Creditors: amounts falling due within one year	9	(945,594)	(472,613)
		<u>617,018</u>	<u>2,017,027</u>
Net current Assets			
		<u>890,177</u>	<u>2,291,521</u>
Total assets less current liabilities			
		<u>890,177</u>	<u>2,291,521</u>
Provisions for liabilities	10	(381,984)	(382,615)
		<u>508,193</u>	<u>1,908,905</u>
Net Assets			
		<u>508,193</u>	<u>1,908,905</u>
Capital and reserves			
Share capital	11	61	61
Share premium		1,499,940	1,499,940
Contribution from Parent		75,508	—
Profit and loss account		(1,067,316)	408,904
		<u>508,193</u>	<u>1,908,905</u>
Shareholder's funds			
		<u>508,193</u>	<u>1,908,905</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 April 2022.


Peter Kim
Director

Notes 1-17 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> £	<i>2020</i> £
Net cash (outflow)/inflow from operating activities	12(a)	502,540	(312,846)
Net cash flows used in investing activities	12(b)	(9,289)	(29,220)
Net cash flows from financing activities	12(b)	75,508	—
(Decrease)/Increase in cash		<u>568,759</u>	<u>(342,066)</u>
Cash and cash equivalents at start of year		71,275	413,341
Cash and cash equivalents at end of year		<u>640,034</u>	<u>71,275</u>

Notes 1-17 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2021

1. Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards including FRS 102 the Financial Reporting Standard applicable to the UK and Republic of Ireland and the Companies Act 2006.

Going concern

The Board acknowledges the outbreak of Coronavirus (COVID-19) and does not expect COVID-19 to have a material impact on the company's future operations, ability to continue trading or future profitability. The Company is dependent on the ability of the Parent to continue to provide sufficient financial support to meet the Company's liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

The Parent and the Company continues to actively monitor the impact that the COVID-19 pandemic. The most likely financial impact on the Company resulting from any resurgence of the pandemic is in respect of its Parent's future management fee income as this is calculated based on a percentage of assets under management. It is challenging to quantify the overall potential future impact of COVID-19; however, the Parent and the Company have put a number of actions in place to protect profitability and solvency.

The directors of the Company have determined that the Company has sufficient financial resources and liquidity to meet its short-term liabilities as they fall due, and that the Parent confirmed in its letter of support to the Company that it will provide financial support to meet the Company's liabilities if required for a period of at least 12 months from the date of approval of the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the Company's financial statements.

Significant estimates/judgements

In applying the Company's accounting policies, the directors may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The directors are not aware of any significant judgements or significant sources of estimation uncertainty used in the preparation of the financial statements.

Tangible fixed assets

All fixed assets are recorded at cost and depreciated.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Leasehold property	–	over the lease term
Office equipment	–	5 years
Furniture and fittings	–	5 years

Current and deferred taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. 'Deferred Tax' has been adopted in these financial statements and a provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits in the future against which the asset can be offset.

Foreign currencies

The Company's functional and presentational currency is British Pound Sterling.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the Statement of Comprehensive Income.

Lease commitments

Rentals payable under operating leases are charged in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

The Company's financial assets include trade and other receivables and cash balances and are initially recognised at the transaction price. Financial liabilities including trade and other payables are initially recognised at settlement amounts.

Administrative Expenses

Expenses incurred have been recognised on an accrual basis.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue comprises amounts receivable in respect of investment management and research services and is measured as the fair value of the consideration received or receivable.

Cash and cash equivalents

Cash and cash equivalents comprise balances with an original maturity date of three months or less.

2. Turnover

In 2021, Turnover was attributable to three sources: (1) Other Income, including Shared Income under the terms of the Cooperation Agreement; (2) the performance of investment management services under the terms of the Sub-Manager Agreement with Chilton Investment Company, LLC; and (3) research credits. Income is recognised on an accrual basis. In 2021, Other income was £739,278, Sub-Manager income was £138,642 and research credits were £135,429. Turnover is shown exclusive of VAT.

3. Operating Profit

This is stated after charging/(crediting):

	2021	2020
	£	£
Auditor's remuneration – audit services	36,225	34,500
– tax services	13,620	40,029
	<hr/> 49,845	<hr/> 74,529
Long term incentive scheme (note 10)	64,556	(169,251)

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

Depreciation	10,082	8,810
Operating lease rentals – hire of equipment	3,709	7,244
– land and buildings	210,000	210,000
	<u>213,709</u>	<u>217,244</u>

4. Directors' Emoluments

	2021 £	2020 £
Emoluments	<u>802,391</u>	<u>649,323</u>

Remunerations in respect of the highest paid director were £802,391 (2020 – £649,323).

One director (2020 – 1) is remunerated by the parent undertaking, Chilton Investment Company, LLC for their services to the group as a whole and no amounts are payable for their services by the Company.

Directors are granted awards under the group's long-term incentive scheme (note 10). Such awards are included in emoluments when the incentive payments are paid.

5. Staff Costs

	2021 £	2020 £
Wages and salaries	1,378,570	769,664
Social security costs	201,181	175,721
	<u>1,579,751</u>	<u>945,385</u>

Employees are granted awards under the group's long-term incentive scheme (note 10). Such awards are included in wages and salaries when the incentive payments are granted.

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

	2021 No.	2020 No.
Research	2	1
Administration	1	1
Marketing	1	1
	<u>4</u>	<u>3</u>

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

6. Tax

(a) Tax on profit / (loss) on ordinary activities

The tax charge is made up as follows:

	2021 £	2020 £
<i>Current tax:</i>		
UK corporation tax on the profit / (loss) for the year	-	(272,093)
Total current tax	-	(272,093)
<i>Deferred tax:</i>		
Deferred tax for the year (note 6(c))	-	-
Tax on profit / (loss) on ordinary activities (note 6(b))	-	(272,093)

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2019 19%). The differences are explained below:

	2021 £	2020 £
Profit/(Loss) on ordinary activities before tax	(1,476,220)	(1,512,573)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 – 19%)	(280,482)	(287,389)
<i>Effects of:</i>		
Expenses not deductible	1,116	2,272
Tax rate changes	-	-
Unrecognised deferred tax asset	279,366	13,024
Total tax/(tax credit) for the year (note 6(a))	-	(273,093)

(c) Factors that may affect future tax charges

	2021 £	2020 £
<i>Deferred Tax, not provided</i>		
Fixed Assets	31,513	23,567
Timing differences - trading	(111,793)	(72,697)
Losses	(448,821)	(73,620)
	(529,101)	(122,750)

Management is of the opinion that it is uncertain that the Company will be able to generate sufficient future taxable income within the period of reliable forecasting to recover the deferred tax asset.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

The current UK corporation tax rate is 19%. In the March 2021 Budget, the UK government announced the proposed increase to the corporation tax rate to 25% with effect from 1 April 2023. This will affect future cash tax payments made by the Company.

7. Tangible Fixed Assets

	<i>Leasehold property £</i>	<i>Furniture and fittings £</i>	<i>Office equipment £</i>	<i>Total £</i>
Cost or valuation:				
At 1 January 2021	38,500	419,664	210,869	669,033
Additions	–	–	11,984	11,984
Disposals	–	–	(169,549)	(169,549)
At 31 December 2021	38,500	419,664	53,304	511,468
Depreciation:				
At 1 January 2021	35,429	180,777	178,332	394,539
Provided during the year	682	–	(156,912)	(156,230)
At 31 December 2021	36,111	180,777	21,420	238,309
Net book value:				
At 31 December 2021	2,389	238,887	31,884	273,159
At 1 January 2021	3,071	238,887	32,537	274,494

Included in furniture and fittings is an amount of £238,885 (2020 – £238,885) relating to artwork and antiques, which, in the opinion of the directors, has a residual value at least equal to cost and against which depreciation is not charged.

8. Debtors

	<i>2021 £</i>	<i>2020 £</i>
Other debtors	34,894	64,037
Corporate tax recoverable	280,027	280,027
VAT recoverable	10,895	18,874
Other debtors – rent deposit	65,137	65,137
Prepaid expenses	26,840	30,793
Due from Parent	504,785	1,959,497
	922,578	2,418,365

The rent deposit is recoverable within one year.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

9. Creditors: Amounts Falling Due Within One Year

	2021 £	2020 £
Other creditors	858,437	427,162
Social Security and other taxes	87,157	45,452
	<u>945,594</u>	<u>472,614</u>

10. Provisions for Liabilities

	2021 £	2020 £
Long term incentive scheme at 1 January	382,615	673,147
Incentive (depreciation)/ appreciation tied to underlying investments	64,556	(10,729)
Due from Chilton Investment Company, LLC	37,437	-
Incentive payments	(224,690)	(251,464)
Incentive awards	122,066	130,183
Write off, forfeiture of incentive award	-	(158,523)
	<u>381,984</u>	<u>382,615</u>
Long term incentive scheme at 31 December		
	<u>137,850</u>	<u>199,568</u>

Under a group scheme, employees are awarded bonuses that are deferred until they complete certain lengths of service. The Company has provided in full awards to employees to reflect the gross amounts payable under the scheme, which is marked to the value of underlying investments managed or made by Chilton Investment Company, LLC.

11. Issued Share Capital

	No.	2021 £	No.	2020 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	61	61	61	61

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

12. Notes to the Statement of Cash Flows

(a) Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

	2021	2020
	£	£
Net Profit (Loss)	(1,476,220)	(1,240,480)
Depreciation	10,082	8,810
Disposal of Fixed Assets	542	-
Taxation	-	272,066
Decrease in debtors, excluding taxation	1,495,785	1,512,431
Increase/(decrease) in creditors	472,980	(575,140)
Decrease in provisions – long term incentive scheme	(629)	(290,532)
Net cash (outflow)/inflow from operating activities	502,540	(312,846)

(b) Analysis of cash flows from headings netted in the statement of cash flows

	2021	2020
	£	£
Net cash flows used in investing activities:		
Payments to acquire fixed assets	9,289	29,220
Net cash flows from financing activities:		
Capital contribution from Parent	75,508	-

13. Contribution from Parent

The Company received a contribution from Parent in the amount of £75,508 to fund operations.

14. Other financial commitments

At 31 December 2021 the Company had total future minimum lease payments under a non-cancellable operating lease as follows:

	2021	2020
	£	£
Expire date:		
Within 1 year	210,000	210,000
In second to fifth year inclusive	-	210,000

15. Related Party Transactions

The Company is entitled to £116,320 net revenue related to the performance of investment management services pursuant to the Sub-Manager Agreement with Chilton Investment Company, LLC.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

Amounts due from Chilton Investment Company, LLC at the balance sheet date are shown in note 8.

In 2021, the Company entered into a lease agreement for an office premises with Sackville Investment Limited, a subsidiary of Chilton Investment Company Inc., which covered the period from and including 1 January 2021, to and including 31 December 2022. Rental payments for 2021 were £210,000 (2020 – £210,000) and amounts receivable from Sackville Investment Limited in respect of the rent deposit at the balance sheet date, as shown in note 8, is £65,137 (2020 – £65,137).

16. Ultimate Parent Undertaking and Controlling Party

The Company is a wholly owned subsidiary of Chilton Investment Company, LLC incorporated in Delaware in the USA, whose main office is 1290 East Main Street, 1st Floor, Stamford, CT 06902, USA.

Chilton Investment Company Inc. is the ultimate parent, and ultimate controlling Company of Chilton Investment Company Limited, by virtue of its majority shareholding in Chilton Investment Company, LLC.

17. Post statement of financial position date events

There are no post statement of financial position date events that have an impact on the financial statements or will impact the Company's ability to continue operations in the future.