Registered number: 04077709

TAM ASSET MANAGEMENT LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

Directors	Mr L Petch Mrs C Wickert Mr L Oram Mr R Sutherland Mr J Penny (appointed 18 December 2021)
Registered number	04077709
Registered office	10th Floor City Tower 40 Basinghall Street London EC2V 5DE
Independent auditors	Xeinadin Audit Limited Chartered Accountants & Statutory Auditor 8th Floor Becket House 36 Old Jewry London EC2R 8DD
Accountants	Elman Wall Limited 8th Floor Becket House 36 Old Jewry London EC2R 8DD

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their report and financial statements for the period ended 31 December 2021.

Business Review

The principal activity of the company remains that of provider of model portfolio management and ancillary services. Notwithstanding the ongoing global pandemic 2021 saw significantly increased growth in assets compared to 2020 and an aggressive "Value for Money" approach to the benefit of clients. Steady progress in the growth of our business combined with the unfolding of our additional longer-term plans is laying the foundations for increased growth in the years ahead.

With ongoing pressures felt across the industry as to the pricing of services to clients, TAM took the initiative to cut annual management charges and has worked tirelessly on the underlying 'overall cost figure' to clients. We made this move in the current environment so as to stay in the forefront on price amongst our competitors and to reduce costs for our clients. This drive for enhanced value has had no detriment on our operational efficiency, investment performance or indeed our customer service.

In financial markets, investment return created positive outcomes for clients in 2021 although the year witnessed periods of significant volatility. The winds of change that buffeted market returns saw a pendulum swing back and forth between a Growth orientation and a more Value led market at various times. The winners of the past 5 years - high tech in particular - began to falter. This resulted in a wholesale (and cathartic) sell off in high growth companies in the first quarter of 2022 and the redefinition of the market leaders.

TAM, as previously, took an active approach to investment management throughout 2021, providing portfolios with defensive attributes at times of crisis and relatively good solid returns by year end. The equity markets, however, as we entered 2022 were hit by negative earnings surprises, inflation and the withdrawal of quantitative easing – overall a very poor start to markets in January 2022. This of course was followed by the tragedy unfolding in the Ukraine where the impact on energy, commodity and similar inflation hungry investments was keenly noted.

The market challenges of 2022 should see TAM's cautious mindset come to the fore and we remain confident of having structured our clients' portfolios to weather the potential storms ahead. These are conditions in which TAM thrives.

We feel our ongoing commitment to Europe is now beginning to bear fruit and 2022 should be a solid development year for our EU aspirations. A new and developing distribution on external platforms has added to assets under management during the year.

Our plans for 2022 include the ongoing development of our UK distribution capability - this in the light, however, of our efforts to build a successful UK sales team which have not provided us with the success we would have wanted.

There continue to be significant changes in the UK regulatory landscape and 2022 will see us executing our plans for the implementation of IFPR, a radical rewrite of the approach to capital and liquidity and the assessment of harm for UK investment firms. Nevertheless, TAM continues to believe it remains well up to speed with these issues as they develop. We are confident that TAM is on top of all the new regulation now in place – something we believe is helped by TAM's strong compliance culture, an experienced compliance function and what we believe to be a relatively straightforward business model.

The Company has made a concerted effort to increase efficiency and thus the number of IFAs introducing business, whilst reduced, reflects our drive to provide service to quality distribution. As a result the number of model portfolio client accounts has increased significantly as has assets under management (AuM). At the same time, auto-enrolment clients and AuM continue to expand. The company's model portfolio offering saw a 20% increase in assets and we look forward to enhanced growth in 2022 subject to market conditions.

The company's investment philosophy remains unaltered and is providing the results for clients. Executive management's energies remain focused on business development – this, as in 2021, is focused on steady but controlled growth of our core model portfolio investment management business and on the developments to expand our young TEAM operation which will continue to open European markets more fully to TAM's services.

The directors continue to feel that the company is in a solid financial position. It is profitable and cash flow positive. Its present product offerings are fit for purpose in current market conditions and its strength in ESG and Sharia investment management provide significant niches where we can demonstrate long-term performance. The directors are confident that our long-term growth plans can be achieved with current cash flow and retained earnings. The business remains cash generative and is anticipated to be so again in 2022.

Key performance indicators

	2021 £m	2020 £m
Assets under management	500	416
Turnover (see note below)	4.502	4.449
Gross Profit	2.475	2.517
Profit before tax bonus and dividends	0.257	0.253
Profit after tax bonus and dividends	0.257	0.101

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	2021 %	2020 %
Gross Profit Margin	55.0	56.6
Return on Capital Employed	22.4	12.2

Other performance indicators

	2021	2020
Number of IFAs with accounts open	76	92
Number of accounts	2,698	2,425
Number of auto enrolment members managed	136,941	91,044

Principal risks and uncertainties

Market/business risk: being the risk that markets collapse or that the company's investment management performance is consistently poor – resulting in a decline in revenues and loss of profitability. The company has an experienced investment management team with many years accumulated experience at managing client investments and navigating difficult markets. Appropriate systems and controls are in place and performance against benchmarks is constantly monitored.

Concentration risk: being the risk attributable to dealing with limited distribution lines. The company's highest exposure to a single professional introducer equates to approximately 24% of assets under management. All other exposures to single distributors are substantially lower. The company's strategy is to provide a 'best in class' level of service and client satisfaction is carefully monitored. The directors continue to work to diversify distributor concentration and are confident that as assets under management grow this risk will gradually reduce.

Credit risk: being the risk that the company suffers a financial loss when a counterparty in a trading transaction does not meet its obligations. This risk has been effectively removed by the company's Model B clearing structure.

Liquidity risk: being the risk that the company cannot meet its financial obligations as they fall due. The risk is managed by monitoring cash balances and forecast cash flows and maintaining capital and liquidity resources comfortably in excess of regulatory requirements. This risk is significantly mitigated by the company's business model and the regular revenue flows arising from client portfolios under management and held with custodian and administrator Pershing Securities Limited.

This report was approved by the board and signed on its behalf.

Mr L Petch
Director

Date: 26 April 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £256,967 (2020 - £176,488).

A dividend amounting £200,000 (2020: £75,000) was recommended and paid during the financial year.

Directors

The directors who served during the year were:

Mr L Petch
Mrs C Wickert
Mr L Oram
Mr R Sutherland
Mr J Penny (appointed 18 December 2021)

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that 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 auditors are aware of that information.

Post balance sheet events

There is currently a wave of consolidation in the fund management industry and the directors note that the company has received a number of approaches from parties interested in acquiring the company's business.

Auditors

On 18 March 2022, Elman Wall Limited transferred its audit business to Xeinadin Audit Limited, which was appointed auditors in succession and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Mr L Petch
Director

Date: 26 April 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAM ASSET MANAGEMENT LTD

Opinion

We have audited the financial statements of TAM Asset Management Ltd (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAM ASSET MANAGEMENT LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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 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, 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAM ASSET MANAGEMENT LTD (CONTINUED)

Ian Palmer FCA (Senior statutory auditor)

for and on behalf of
Xeinadin Audit Limited

Chartered Accountants
Statutory Auditor

8th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

26 April 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	4,429,985	4,448,842
Cost of sales		(1,953,718)	(1,931,608)
Gross profit		2,476,267	2,517,234
Administrative expenses		(2,216,885)	(2,262,114)
Operating profit	5	259,382	255,120
Income from shares in group undertakings		71,749	25,000
Interest receivable and similar income	9	94	8,123
Interest payable and similar expenses	10	(74,258)	(110,694)
Profit before tax		256,967	177,549
Tax on profit	11	-	(1,061)
Profit for the financial year		256,967	176,488

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 13 to 28 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	13		17,147		29,822
Tangible assets	14		4,330		6,772
Investments	15		350,003		350,003
			371,480		386,597
Current assets					
Debtors: amounts falling due within one year	16	907,606		876,330	
Cash at bank and in hand	17	1,121,054		794,044	
		2,028,660		1,670,374	
Creditors: amounts falling due within one year	18	(903,963)		(617,761)	
Net current assets			1,124,697		1,052,613
Total assets less current liabilities			1,496,177		1,439,210
Net assets			1,496,177		1,439,210
Capital and reserves					
Called up share capital	20		350,000		350,000
Profit and loss account	21		1,146,177		1,089,210
			1,496,177		1,439,210

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr L Petch
Director

Date: 26 April 2022

The notes on pages 13 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	350,000	987,722	1,337,722
Comprehensive income for the year			
Profit for the year	-	176,488	176,488
Total comprehensive income for the year	-	176,488	176,488
Dividends: Equity capital	-	(75,000)	(75,000)
Total transactions with owners	-	(75,000)	(75,000)
At 1 January 2021	350,000	1,089,210	1,439,210
Comprehensive income for the year			
Profit for the year	-	256,967	256,967
Total comprehensive income for the year	-	256,967	256,967
Dividends: Equity capital	-	(200,000)	(200,000)
Total transactions with owners	-	(200,000)	(200,000)
At 31 December 2021	350,000	1,146,177	1,496,177

The notes on pages 13 to 28 form part of these financial statements.

1. General information

TAM Asset Management Ltd. is a private company limited by shares incorporated in England and Wales. The address of the registered company is given on the Company Information page of these financial statements.

The principal activity of the company remains solely as a model portfolio management service provider and investment manager. Assets in that activity are raised through professional advisers, other intermediaries and a direct to market product offering.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemption

The company has taken advantage of the disclosure exemption for the requirement of Section 7 Statement of Cash Flows in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This information is included in the consolidated financial statements of TAM Financial Ltd. as at 31/12/2021 and these financial statements may be obtained from City Tower, 40 Basinghall Street, London, EC2V 5DE.

2.3 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 is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Total revenue comprises commissions, fees and other charges derived from asset management.

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Website and software	-	33 % straight line

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office Fit-out	-	Over life of the lease
Computer & Telephones	-	33% straight line
Fixtures & Fittings	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2. Accounting policies (continued)

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.18 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of TAM Financial Ltd, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2.19 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised 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 operates and generates income.

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

- 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 if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Accounting policies (continued)

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are recognised to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the statement of comprehensive income in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021	2020
	£	£
Commissions, fees and other charges	4,429,985	4,448,842
	4,429,985	4,448,842

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Exchange differences	2,744	(4,171)

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,700	15,300

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	1,075,150	1,083,244
Social security costs	127,253	106,920
Cost of defined contribution scheme	70,996	62,744
	1,273,399	1,252,908

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

	2021 No.	2020 No.
Management and administration	18	16

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	372,500	349,125
	372,500	349,125

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £185,000 (2020 - £169,542).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,000 (2020 - £19,943).

Key management includes the directors and senior management. The compensation paid or payable to key management personnel of the Company for employee services carried out during the year amounted to £588,500 (2020: £539,583).

9. Interest receivable

	2021 £	2020 £
Other interest receivable	94	8,123
	94	8,123

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	1,437	276
Other interest payable	72,821	110,418
	74,258	110,694

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	1,061
	-	1,061
Total current tax	-	1,061

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	256,967	177,549
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	48,824	33,734
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	760	808
Other timing differences leading to an increase (decrease) in taxation	393	-
Non-taxable income	(8,952)	(4,750)
Remeasurement of deferred tax for the changes in tax rates	(9,730)	(10,586)
Deferred tax not recognised	(31,295)	(18,145)
Total tax charge for the year	-	1,061

Factors that may affect future tax charges

The company also carries trading losses carried forward of £143,014 (2020: £350,975).

As at 31 December 2021 the company has a deferred tax asset of £40,543 (2020: £71,838) which has not been provided for in these financial statements in accordance with the accounting policy noted above. The deferred tax asset comprises the tax on losses carried forward of £35,754 (2020: £66,686) and the timing differences on capital allowances of £2,142 (2020: £5,152).

12. Dividends

	2021 £	2020 £
Dividends	200,000	75,000
	200,000	75,000

13. Intangible assets

	Website and software £
Cost	
At 1 January 2021	46,583
Disposals	(2,058)
At 31 December 2021	44,525
Amortisation	
At 1 January 2021	16,761
Charge for the year on owned assets	12,675
On disposals	(2,058)
At 31 December 2021	27,378
Net book value	
At 31 December 2021	17,147
At 31 December 2020	29,822

14. Tangible fixed assets

	Fixtures, fittings & fit out	Computers & telephone	Total
	£	£	£
Cost or valuation			
At 1 January 2021	117,409	15,937	133,346
Additions	130	1,914	2,044
Disposals	(116,747)	(2,529)	(119,276)
At 31 December 2021	792	15,322	16,114
Depreciation			
At 1 January 2021	117,050	9,524	126,574
Charge for the year on owned assets	246	4,240	4,486
Disposals	(116,747)	(2,529)	(119,276)
At 31 December 2021	549	11,235	11,784
Net book value			
At 31 December 2021	243	4,087	4,330
At 31 December 2020	359	6,413	6,772

15. Fixed asset investments

	Investments in subsidiary companies	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 January 2021	325,004	24,999	350,003
At 31 December 2021	325,004	24,999	350,003

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
TAM Asset Management International Ltd	Investment Management	Ordinary	53.7 %
TAM (Nominees) Ltd	Nominee	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share capital and reserves £
TAM Asset Management International Ltd	163,850
TAM (Nominees) Ltd	1

16. Debtors

	2021	2020
	£	£
Trade debtors	134,355	168,119
Amounts owed by group undertakings	15,456	128,795
Other debtors	155,346	156,757
Prepayments and accrued income	602,449	422,659
	907,606	876,330

17. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	1,121,054	794,044
	1,121,054	794,044

Included within cash at bank and in hand amount of £1,121,054 (2020: £794,044) as shown on the balance sheet are amounts of £nil (2020: £37,840) which relate to monies held on behalf of clients in accordance with the Financial Conduct Authority (FCA) Client Assets Sourcebook.

18. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	45,667	88,206
Amounts owed to group undertakings	135,454	37,449
Corporation tax	-	1,061
Other taxation and social security	86,902	143,283
Other creditors	419,842	47,960
Accruals and deferred income	216,098	299,802
	903,963	617,761

Included in creditors above are amounts of £nil (2020: £37,840) which relate to monies held on behalf of clients in accordance with the Financial Conduct Authority (FCA) Client Assets Sourcebook.

19. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	1,146,053	819,003
Financial assets that are debt instruments measured at amortised cost	305,157	453,671
	1,451,210	1,272,674
Financial liabilities		
Financial liabilities measured at amortised cost	(817,061)	(531,515)

Financial assets measured at fair value through comprehensive income comprise cash at bank and unlisted investments.

Financial assets that are debt instruments measured at cost comprise trade debtors, intercompany balances and other debtors.

Financial liabilities measured at cost comprise trade creditors, intercompany balances, accruals and other creditors.

20. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
3,500 (2020 - 3,500) Ordinary shares shares of £100.00 each	350,000	350,000

21. Reserves

Profit and loss account

Includes all current and prior period retained profit and losses.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £70,996 (2020: £62,744). Contributions totalling £15,228 (2020: £8,100) were payable to the fund at the reporting date

23. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	172,135	173,085
Later than 1 year and not later than 5 years	233,106	390,841
	405,241	563,926

The Company's largest commitment under operating leases is the obligation for its office premises.

24. Related party transactions

During the year Mr L Petch incurred business expenses on behalf of the Company in the sum of £11,066 (2020: £10,680) and was reimbursed £10,606 (2020: £13,842). At the year end Mr L Petch was owed a balance of £460 (2020: £Nil).

During the year Mr L Oram incurred business expenses on behalf of the Company in the sum of £146 (2020: £405) and was reimbursed £146 (2020: £405). At the year end Mr L Oram was owed a balance of £Nil (2020: £Nil).

During the year Mrs C Wickert incurred business expenses on behalf of the Company in the sum of £797 (2020: £438) and was reimbursed £797 (2020: £438). At the year end Mrs C Wickert was owed a balance of £Nil (2020: £Nil).

During the year Mr R Sutherland incurred business expenses on behalf of the Company in the sum of £Nil (2020: £Nil) and was reimbursed £Nil (2020: £Nil). At the year end Mr R Sutherland was owed a balance of £Nil (2020: £Nil).

Work Place Pensions Limited, a fellow group company, was owed £5,976 (2020: £9,552) by the Company as at the year end.

TAM Financial Limited, the parent undertaking, was owed £109,200 (2020: £16,902) by the Company. Furthermore, as at the year end £Nil (2020: £111,320) was due from TAM Financial Limited in relation to the Spanish group company TAM Europe Asset Management Limited AV SA.

TAM Asset Management International Limited, a subsidiary based in Mauritius, owed the Company £15,456 (2020: £17,475) as at the year end.

TAM Europe Asset Management Limited AV SA, a fellow group company, was owed £20,277 (2020: £10,995) by the Company as at the year end.

The Company has taken the exemption available to not disclose transactions within the year, between wholly owned subsidiaries and fellow group companies.

25. Controlling party

The immediate and ultimate parent company is TAM Financial Limited, a company incorporated and registered in England and Wales.

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