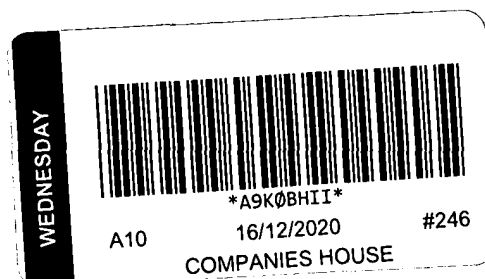


SINFONIA ASSET MANAGEMENT LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 MARCH 2020**

Registered Number: 06309491



SINFONIA ASSET MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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SINFONIA ASSET MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

P.H. Hogarth
L. Mentel
P. Edwards

REGISTERED OFFICE

Paradigm House
Brooke Court
Lower Meadow Road
Wilmslow
SK9 3ND

BANKERS

Santander UK Plc
298 Deansgate
Manchester
M3 4HH

AUDITOR

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF
United Kingdom

DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors present their report and the audited financial statements for the eighteen month period from 1 October 2018 to 31 March 2020.

The Directors have chosen to adopt the small companies' exemption in preparing the Directors' report under section 415A of the Companies Act 2006 and have chosen not to prepare a strategic report under section 414B of the Companies Act 2006.

Principal activity and review of the business

The principal activity of Sinfonia Asset Management Limited (the "Company") during the period has been the continued provision and administration of marketing services to Investment Fund Services Limited ("IFSL") and independent financial advisers to facilitate the sale of investment products.

On 10 October 2019 the Directors extended the accounting period from 30 September to 31 March and therefore the current period results are for eighteen months and the comparative figures in this report and financial statements are not comparable.

The Directors report that the business made a profit after tax for the 18 month period of £96,509 (2018: £3,721 for the year). The business made an operating profit for the 18 month period of £106,279 (2018: £5,270 for the year). Fee income in the 18 month period is £497,575 (2018: £358,294 for the year) and funds held within the IFSL Sinfonia Open Ended Investment Companies were £106.3 million (2018: £135.4 million). This decrease is largely due to the impact of COVID-19 on financial markets during February and March 2020.

In the period the Company carried out a capital reduction exercise cancelling £50,000 of share capital and adding this amount to distributable reserves. This process was permitted by the articles of association of the Company and completed by issuing a solvency statement in September 2019.

On 30 September 2019 the Company was sold by Tenet Client Services Limited to Tatton Capital Limited and is part of the wider group whose parent Company is Tatton Asset Management plc (the "Group"). The nature of the business of the Company remains unchanged.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of the financial statements given the net asset position of the business and the ongoing profitability of the Company. The Directors have considered the impact of COVID-19 on the Company as part of their going concern assessment and there is further detail on the impact of COVID-19 on the Company below. The Directors have also considered the risks associated with Brexit, including considering the effect on clients' wealth, attitude towards savings and investment and changes in government policy. The Company's clients are all UK based and the major services supplied to the Company are from UK based providers, therefore the Company is not directly exposed to potential changes in international trading arrangements. The Directors do not consider that the impact of Brexit will affect the Company continuing as a going concern. The Directors expect the Company to continue profitably during the next financial year and have adequate cash flows to meet liabilities as they fall due. Accordingly, the Directors of the Company have adopted the going concern basis in preparing these financial statements.

COVID-19

The COVID-19 pandemic has impacted the business to varying degrees. Whilst the Company's performance has been affected, the Company operates in resilient markets and the directors believe the fundamentals of the business and its route to market remain strong and relevant in these unprecedented times.

Throughout the pandemic, the Company and the rest of its Group has supported its customers (the IFAs) by providing valuable data and narrative to enable them to communicate clearly with their clients, further cementing long-term mutually beneficial relationships. The Company has a low-risk, high-margin business model, based on strong levels of recurring revenue (circa 100% of its revenue) so as long as the AUM of the business remains constant.

Whilst it's still too early to estimate accurately the full financial impact of the pandemic, the Company has a robust financial liquidity position with £25,000 of cash at 31 March 2020 and no external debt; and a highly efficient working capital cycle, ensuring strong operating cash conversion (c.100% of operating profit). The Group also has indications of a good level of support from quality lending institutions, in the unlikely event that this will be required. Management have also prepared reports in relation to the operational resilience of the business reflecting the switch to home working in compliance with Government advice and effectively implementing its business continuity planning procedures. The Company also maintains its high level of ongoing oversight and monitoring of third-party suppliers.

DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

COVID-19 (continued)

The Directors are satisfied that the business can operate successfully in these conditions. The Directors are confident that the Company has more than adequate resources to withstand the challenges the pandemic presents in the short to mid-term.

The Company operates on a lean cost base, which enables our business to remain competitive in their markets. However, we are undertaking a cost reduction exercise to ensure that all opportunities to improve efficiency are explored. Whilst investment in future growth will continue, a moratorium on material capital expenditure is in place and salary increases and bonuses have been frozen until the COVID-19 situation unfolds. The Company will not take advantage of Government support schemes, which the directors believe are intended for businesses significantly more affected than Sinfonia Asset Management Limited.

The Company and Group's forecast has been reviewed and updated for the expected impact of COVID-19 pandemic, various market scenarios and management actions. This review has allowed management to assess the potential impact on income, costs, cash flow and capital and the ability to implement effective management actions that may be taken to mitigate the impact. The Group's directors will continue to support the employees and take all the precautions necessary to ensure the Company's ongoing robust financial health and remains vigilant, constantly monitoring the evolving situation.

Principal risks and uncertainties

Risk	Impact	Mitigation
Industry risks		
Adverse macro-economic, political and market factors Economic, political and market forces, particularly impacting the UK equity markets, which are beyond the Company's control could adversely affect the value of AUM from which the Company derives revenues. This could be sudden in cases such as COVID-19 which causes significant volatility in global markets and severe economic weakness undermines confidence.	— Downturns in the market and resultant falls in AUM or other income will have a negative impact on the Company's revenue and profit	— The Company has an experienced investment management team with a strong track record — Investment strategies are continually monitored by the Investment Committee with appropriate governance and oversight — A prudent approach to investment strategy means that a significant proportion of AUM is made up of lower risk appetite funds which typically have a market fall correlation of less than 50%
Changing competitive environment The market environment in which the Company operates is highly competitive with fast changing characteristics and trends.	— Loss of competitive advantage such that AUM and client number targets are adversely impacted. This would have a negative impact on profitability	— Broad service offering, providing diversified revenue streams — Deep industry experience and strong client relationships resulting in a loyal customer base — Strong brand and excellent reputation
Termination of the UK's European Union membership The UK exiting the European Union could have a material adverse impact on the fiscal and legal framework in which the Company operates, and impact the UK's economic performance in the long term.	— Uncertainty in the market or adverse impact on the UK economic performance may reduce customer transactional activity and/or cause the value of AUM to reduce	— Geographical diversification of funds

**DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT
(continued)**

Risk	Impact	Mitigation
Operational risks		
Change to UK tax law Changes to UK tax law could adversely impact the performance and attractiveness of long-term saving and investment through pensions and other wrap products.	— Savings and investment in pensions and other wrap products may reduce, so reducing AUM and the Company's revenue	— Broad service offering, providing diversified revenue streams
Failure of a third-party platform provider The Company manages its investments through third party platform providers. Operational failure or cessation of trade of a major platform could have a material adverse impact on the Company's reputation, operations, financial performance and growth.	— Negative impact on customer outcomes due to website unavailability, delays in receiving and/or processing customer transactions or interruptions to settlement and reconciliation processes — Financial impact through increased operational losses — Regulatory fine and/or censure	— Due diligence is performed when selecting key suppliers — The Company is covered by third party indemnities for business-critical services — Third party relationships are subjected to a high level of ongoing oversight, including due diligence and a risk-based approach, from the Company's internal compliance function. This gives assurance that third party platform providers meet the Company's high standards
Failure of investment strategy The risk that investment strategies fail to maintain an acceptable level of performance, particularly in times of significant market volatility such as due to the impact of COVID-19, resulting in a decline in revenues and in the value of assets from which revenues are derived.	— Negative impact on achievement of AUM and client number strategic targets — Poor client outcomes that also prevent the achievement of our growth targets — Reputational damage	— The Company has an experienced investment management team with a strong track record — Investment strategies are continually monitored by senior management, the Investment Committee and the Board
Loss or failure of key IFA client The Company has several major IFA clients. A change in relationship or termination of business with any of these, and the Company being unable to replace them in a timely fashion, could have a material adverse impact.	— Negative impact on achievement of AUM, Operating Profit and client number strategic targets — Reputational damage	— The Company has a clearly defined business development strategy which continues to enhance the Company's service offering — Client engagements are proactively managed through dedicated client managers who have in-depth knowledge of the IFA industry and expert regulatory and compliance knowledge
Failure to recruit and retain quality personnel The Company does not have any of its own staff but is supported by the employees of another Group company. The Company operates in a competitive market for talent and failure to recruit and retain key personnel could adversely impact the Company's operational performance.	— Inability to service client needs — Reputational damage	— Recruitment programmes are in place to attract suitable staff — The success of the Group's listing has increased our ability to attract and retain high calibre candidates — Staff share schemes are in place across the Group to incentivise staff and encourage long-term retention

DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

Risk	Impact	Mitigation
Financial risks		
Liquidity risk	— Reputational damage	— Cash-generative business
The Company may be unable to meet financial liabilities as they become due because of a shortfall in cash or other liquid assets or inability to obtain sufficient funding.	— Potential customer detriment	— Appropriate banking facilities in place
	— Financial loss	— Active cash flow forecasting and liquidity management to ensure availability of liquid funds at short notice
	— Unable to meet obligations as they fall due	— The Company maintains a cash surplus above regulatory and working capital requirements

Directors

The Directors shown below have held office during the period and up to the date of this report, unless otherwise stated.

P.H. Hogarth (Appointed 30th September 2019)

L. Mentel (Appointed 30th September 2019)

P. Edwards (Appointed 30th September 2019)

H. M. Ball (Resigned 30th September 2019)

C. J. Bradley (Resigned 30th September 2019)

K. J. Craig (Resigned 30th September 2019)

B. Wright (Resigned 30th September 2019)

M. J. Greenwood (Resigned 8th August 2019)

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the period and remain in force at the date of this report.

Future developments

The Directors expect the general level of activity to remain stable in the forthcoming year and consider the impact of the United Kingdom's ('UK') decision to leave the European Union to be minimal upon the Company, other than a possible general decline in economic activity in the UK. The impact of the decision is uncertain at this stage, the Directors will continue to monitor future developments to determine the impact upon the Company.

Key performance indicators

The Directors consider that the key performance indicators of the business are the assets under management (AUM) within the funds and the fund performance. During the period, AUM decreased from £135.4m to £106.3m during the 18 month period, largely due to COVID-19 related market falls in February and March 2020.

Post Balance Sheet events

As the outcome of the Brexit negotiations and the impact that the COVID-19 pandemic will have on the wider market remains unknown, the Directors will continue to monitor the impact that these events have on the business.

Dividends

A dividend of £256,360 was paid during the eighteen month period ended 31 March 2020 (2018: £nil). No final dividend has been declared (2018: nil).

Political and charitable contributions

No political or charitable donations were made during the current or prior period.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

**DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT
(continued)**

Directors' responsibilities statement (continued)

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 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

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

Deloitte LLP has indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 14 December 2020 and signed on its behalf by:



P. Edwards
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINFONIA
ASSET MANAGEMENT LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Sinfonia Asset Management Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the eighteen month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

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

CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINFONIA
ASSET MANAGEMENT LIMITED (continued)**

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

We have nothing to report in respect of these matters.

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

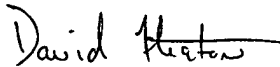
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINFONIA
ASSET MANAGEMENT LIMITED (continued)**

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.



David Heaton
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
14 December 2020

SINFONIA ASSET MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT For the 18 months ended 31 March 2020

	Note	18 month period to 31 March 2020 £'000	Year ended 30 September 2018 £'000
TURNOVER		498	358
Administrative expenses		(392)	(353)
OPERATING PROFIT	2	106	5
PROFIT BEFORE TAXATION		106	5
Tax on profit	4	(10)	(1)
PROFIT FOR THE FINANCIAL PERIOD/YEAR		96	4

All activity has arisen from continuing operations.

There were no recognised gains or losses in the current or previous periods other than the profit for those periods shown above. Accordingly, a separate statement of other comprehensive income has not been presented.

SINFONIA ASSET MANAGEMENT LIMITED

BALANCE SHEET As at 31 March 2020

		31 March 2020 £'000	30 September 2018 £'000
	Note		
CURRENT ASSETS			
Debtors	6	78	210
Cash at bank and in hand		25	18
		<u>103</u>	<u>228</u>
CREDITORS: Amounts falling due within one year			
Trade and other payables	7	(30)	(6)
Corporation tax		(12)	(1)
		<u>(42)</u>	<u>(7)</u>
NET CURRENT ASSETS		<u>61</u>	<u>221</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>61</u>	<u>221</u>
NET ASSETS		<u>61</u>	<u>221</u>
CAPITAL AND RESERVES			
Share capital	8	1	51
Profit and loss account		60	170
SHAREHOLDERS' FUNDS		<u>61</u>	<u>221</u>

The financial statements of Sinfonia Asset Management Limited (registered number: 06309491) have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements on pages 10 to 16 were approved by the Board of Directors on 14 December 2020 and were signed on its behalf by



P. Edwards
Director

SINFONIA ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

As at 31 March 2020

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 30 September 2017	51	166	217
Profit for the financial year	-	4	4
At 30 September 2018	51	170	221
Profit for the financial period	-	96	96
Dividends paid	-	(256)	(256)
Capital Restructure	(50)	50	-
At 31 March 2020	1	60	61

NOTES TO THE FINANCIAL STATEMENTS

For the 18 month period ended 31 March 2020

1. ACCOUNTING POLICIES

Basis of accounting

The Company is a private limited company incorporated in England, United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pound sterling because that is the currency of the primary economic environment in which the Company operates.

The Company is consolidated in the financial statements of its parent, Tatton Asset Management plc, which may be obtained at the address listed on page 1. The Company has taken advantage of the disclosure exemptions available to it under FRS 102. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, remuneration of key management personnel, financial instruments and a reconciliation of the number of shares outstanding at the beginning and end of the period. The Company has also taken advantage of the exemption under section 33.1A of FRS 102 not to disclose transactions with entities are wholly owned subsidiaries of Tatton Asset Management plc.

These financial statements have been prepared in accordance with applicable law and United Kingdom accounting standards. The principal accounting policies have been consistently applied throughout the current and preceding period and are described below.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of the financial statements given the net asset position of the business and the ongoing profitability of the Company. The Directors have considered the impact of COVID-19 on the Company as part of their going concern assessment. The Directors have also considered the risks associated with Brexit, including considering the effect on clients' wealth, attitude towards savings and investment and changes in government policy. The Company's clients are all UK based and the major services supplied to the Company are from UK based providers, therefore the Company is not directly exposed to potential changes in international trading arrangements. The Directors do not consider that the impact of Brexit will affect the Company continuing as a going concern. The Directors expect the Company to continue profitably during the next financial year and have adequate cash flows to meet liabilities as they fall due. Accordingly, the Directors of the Company have adopted the going concern basis in preparing these financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated rebates and other similar allowances. Revenue is recognised when control is transferred and the performance obligations are considered to be met.

The Company's revenue is made up principally of fees for discretionary fund management services in relation to on-platform investment Assets under Management (AUM). Revenue is recognised daily based on the AUM.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the 18 month period ended 31 March 2020 (continued)

1. ACCOUNTING POLICIES (continued)

Financial instrument (continued)

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard 102 from including a cash flow statement in the financial statements on the grounds that it qualifies as a small company as defined by the Companies Act 2006.

Critical accounting judgements and key sources of estimation uncertainty

The Directors do not consider there to be any critical accounting judgements and key sources of estimation uncertainty.

2. OPERATING PROFIT

	18 months to 31 March 2020 £'000	Year to 30 September 2018 £'000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the annual financial statements	8	-

Audit fees in the year to 30 September 2018 were borne by Tenet Group Limited, the Company's previous ultimate parent undertaking.

NOTES TO THE FINANCIAL STATEMENTS

For the 18 month period ended 31 March 2020 (continued)

3. STAFF COSTS AND DIRECTORS' REMUNERATION

No members of staff were employed by Sinfonia Asset Management Limited (2018: none). No Directors' remuneration has been paid during the period as the Directors are remunerated by other related companies and this is not recharged since the material element of their work does not relate to Sinfonia Asset Management Limited (2019: £nil).

4. TAXATION

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the UK applied to profit for the period are as follows:

	18 months to 31 March 2020 £'000	Year to 30 September 2018 £'000
Profit before tax	106	5
Tax at UK corporation tax rate of 19% (2018: 19%)	20	1
Effects of:		
Adjustment in respect of previous period	(3)	-
Group relief	(7)	-
Current tax charge	10	1

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget, it was announced that the UK corporation tax rate will remain at the current level of 19% and not reduce to 17% from 1 April 2020. Deferred tax is calculated using the rate expected to apply when the relevant timing differences are forecast to unwind.

5. DIVIDENDS

During the 18 month period, the Company paid a dividend of £256,360 (2018: £nil). This represents a dividend of £256.36 per share (2018: £nil per share)

6. DEBTORS

	31 March 2020 £'000	30 September 2018 £'000
Trade receivables	-	30
Amounts due from related parties	20	159
Prepayments and accrued income	58	21
	78	210

All related party receivables are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the 18 month period ended 31 March 2020 (continued)

7. CREDITORS: Amounts falling due within one year

	31 March 2020 £'000	30 September 2018 £'000
Amounts owed to related parties	30	-
Accruals	-	6
	<u>30</u>	<u>6</u>

8. CALLED – UP SHARE CAPITAL

	31 March 2020 £'000	30 September 2018 £'000
Allotted, issued and fully paid		
10,000,000 ordinary shares (2018: 510,000,000) of £0.0001 each	1	51
	<u>1</u>	<u>51</u>

On 23 September 2019, the Company cancelled and extinguished 500,000,000 of the issued A Ordinary shares of £0.0001 each in the capital of the Company, each of which was fully paid up, and returning the capital paid up on those shares to the holders of them.

9. EVENTS AFTER THE BALANCE SHEET DATE

As the outcome of the Brexit negotiations and the impact that the COVID-19 pandemic will have on the wider market remains unknown, the Directors will continue to monitor the impact that these events have on the business.

10. RELATED PARTIES

The Company has taken advantage of the exemption under section 33.1A of FRS 102 not to disclose transactions with entities are wholly owned subsidiaries of Tatton Asset Management plc. There are no other related party transactions or balances.

11. ULTIMATE CONTROLLING PARTY

Tatton Capital Limited acquired Sinfonia Asset Management Limited on 30 September 2019. Prior to the acquisition, the parent Company of Sinfonia Asset Management Limited was Tenet Client Services Limited and its ultimate controlling party was Tenet Group Limited. The ultimate controlling party since 30 September 2019 is Tatton Asset Management plc which is registered in England. A copy of its accounts may be obtained from its secretary at the registered office of that company, being Paradigm House, Lower Meadow Road, Handforth, Wilmslow, Cheshire, SK9 3ND.