

Registered number: 06750525

Reinet Advisors (UK) Limited
Annual Report and Financial Statements
For the year ended 31 March 2022



REINET ADVISORS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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REINET ADVISORS (UK) LIMITED

COMPANY INFORMATION

Incorporation Date	17 November 2008 as Reinet Investment Advisors (UK) Limited Name changed to Reinet Advisors (UK) Limited on 11 May 2010
Reporting Currency	Sterling
Secretary	Michelle Pasturel
Directors	Josua Malherbe Rupert John Brooks
Registered Office	15 Hill Street London W1J 5QT United Kingdom
Independent Auditors	PricewaterhouseCoopers CI LLP 37 Esplanade St Helier Jersey JE1 4XA
Bankers	HSBC Bank Regional Service 62-76 Park Street London SE1 9DZ
Registered Number	06750525

REINET ADVISORS (UK) LIMITED

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 MARCH 2022**

The Directors present their annual report and audited financial statements of Reinet Advisors (UK) Limited (the "Company") for the year ended 31 March 2022.

Incorporation

The Company is a private limited company incorporated in the United Kingdom on 17 November 2008.

Principal Activities

The principal activity of the Company is to provide investment advisory and management support to Reinet Investment Advisors Limited, its parent company. On 16 September 2014, the Financial Conduct Authority (the "FCA") granted the Company a licence for advising on investments (except on Pension Transfers and Pension Opt Outs).

Going Concern Basis

In March 2020, the World Health Organisation classified the COVID-19 outbreak as a pandemic. As of March 2022, COVID-19 continues to impact the world and the long-term financial impacts remains unknown.

The current crisis in Ukraine continues to have an impact on worldwide fuel supplies, along with the availability and cost of other essential goods and services leading to volatility in financial markets. The Company has no direct exposure to Russia or Ukraine through its activities or banking relationships.

The Directors have concluded that at the time of approving the financial statements of the Company, there is a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future and that COVID-19 and the Ukraine crisis would have a limited impact on the Company.

Results

The results for the year are set out in the statement of comprehensive income on page 9.

Dividends

No dividends were declared or paid by the Company in the year ended 31 March 2022 (2021: GBP Nil).

Directors

The Directors of the Company who served throughout the year and to the date of this report were:

Josua Malherbe
Rupert John Brooks

The Directors had no beneficial interest in the share capital of the Company.

Secretary

Michelle Pasturel served as secretary of the Company throughout the year and to date.

Auditors

The independent auditors, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office. In the absence of a notice proposing that their appointment be terminated, the auditors, PricewaterhouseCoopers CI LLP, will be deemed re-appointed for the next financial year.

REINET ADVISORS (UK) LIMITED

DIRECTORS' REPORT (continued) **FOR THE YEAR ENDED 31 MARCH 2022**

Small Companies Regime

The Directors of the Company have taken advantage of small companies' exemptions in the preparation of these financial statements specifically the exemption from preparing a strategic report.

Directors' responsibilities for the financial statements

The Directors are required by the Companies Act 2006 (the "Act") to prepare the directors' report and the financial statements in accordance with applicable law and regulations.

The Act requires the Directors to prepare financial statements for each financial year. The financial statements have been properly prepared in accordance with UK-adopted international accounting standards. Under the Act the Directors must not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of affairs of the Company and of the results of the Company for that year. In preparing these financial statements, the Directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable international accounting standards in conformity with the requirements of the Act have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) 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 Act. The Directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all 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 auditors are aware of that information.

The Directors confirm that they have complied with the above requirements in preparing these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

This report was approved by the Board of Directors and signed on its behalf by:

Director: J Malherbe



Date: 1 July 2022



Independent auditors' report to the members of Reinet Advisors (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Reinet Advisors (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2022; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities for the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- enquiring with management and those charged with governance as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of the board of directors for matters relevant to the audit;
- inspecting administrative expenses for any indication of undisclosed litigation or non-compliance with laws and regulations;
- identification and testing of journal entries considered to be higher risk, including unusual journal entries posted;
- and evaluation of the business rationale of any significant or unusual transactions identified outside the normal course of business; and
- performing audit procedures to incorporate an element of unpredictability in relation to the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Ian Ross (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey
1 July 2022

REINET ADVISORS (UK) LIMITED**STATEMENT OF FINANCIAL POSITION**
AS AT 31 MARCH 2022

	Notes	2022 <u>GBP</u>	2021 <u>GBP</u>
Assets			
Non-Current Assets		116,047	134,622
Property, plant and equipment	3	103,175	114,027
Prepayment	4	12,872	20,595
Current Assets		939,649	696,299
Prepayment	4	7,722	7,722
Trade receivables		64,750	19,136
Cash and cash equivalents		867,177	669,441
Total Assets		1,055,696	830,921
Liabilities and Equity			
Non-Current Liabilities			
Deferred tax	5	18,640	20,834
Current Liabilities		143,211	134,234
Accruals	6	131,207	121,348
Tax payable		12,004	12,886
Equity		893,845	675,853
Share capital	7	50,000	50,000
Retained earnings		843,845	625,853
Total Liabilities and Equity		1,055,696	830,921

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 8 to 19 were approved and authorised for issue by the Board of Directors and have been signed on its behalf by:

Director: J Malherbe



Date: 1 July 2022

The accompanying notes on pages 12 to 19 form an integral part of these financial statements.

REINET ADVISORS (UK) LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 <u>GBP</u>	2021 <u>GBP</u>
Income			
Turnover	14	2,957,250	2,955,650
Interest income		326	211
Total income		<u>2,957,576</u>	<u>2,955,861</u>
Administrative expenses		215,239	216,988
Staff costs	9	2,473,211	2,469,983
Total expenses		<u>2,688,450</u>	<u>2,686,971</u>
Income on ordinary activities before taxation	8	269,126	268,890
Taxation	11	(51,134)	(51,089)
Total comprehensive income		<u><u>217,992</u></u>	<u><u>217,801</u></u>

There has been no Other Comprehensive Income and all income related to continuing operations. Total comprehensive income is 100% attributable to the sole shareholder.

The accompanying notes on pages 12 to 19 form an integral part of these financial statements.

REINET ADVISORS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

31 March 2022	Share Capital GBP	Retained Earnings GBP	Total Equity GBP
At 1 April 2021	50,000	625,853	675,853
Total comprehensive income for the year		217,992	217,992
At 31 March 2022	<u>50,000</u>	<u>843,845</u>	<u>893,845</u>
31 March 2021	Share Capital GBP	Retained Earnings GBP	Total Equity GBP
At 1 April 2020	50,000	408,052	458,052
Total comprehensive income for the year		217,801	217,801
At 31 March 2021	<u>50,000</u>	<u>625,853</u>	<u>675,853</u>

The accompanying notes on pages 12 to 19 form an integral part of these financial statements.

REINET ADVISORS (UK) LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 <u>GBP</u>	2021 <u>GBP</u>
Cash flows from operating activities			
Cash generated from operations	12	275,041	342,410
Taxation paid		(54,210)	(53,767)
Net cash generated from operating activities		<u>220,831</u>	<u>288,643</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(23,421)	(6,890)
Interest income		326	211
Net cash utilised in investing activities		<u>(23,095)</u>	<u>(6,679)</u>
Net increase in cash and cash equivalents		197,736	281,964
Cash and cash equivalents at the beginning of the year		669,441	387,477
Cash and cash equivalents at the end of the year		<u>867,177</u>	<u>669,441</u>

The accompanying notes on pages 12 to 19 form an integral part of these financial statements.

REINET ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2022**

1. Corporate information

Reinet Investment Advisors (UK) Limited, (the "Company") is a private limited company incorporated in the United Kingdom on 17 November 2008. It changed its name to Reinet Advisors (UK) Limited on 11 May 2010. The Company's registered office is at 15 Hill Street, London, W1J 5QT.

The principal activity of the Company is to provide investment advisory and management support to Reinet Investment Advisors Limited, its parent company. On 16 September 2014, the Financial Conduct Authority (the "FCA") granted the Company a licence for advising on investments (except on Pension Transfers and Pension Opt Outs).

2. Principal Accounting policies

The principal accounting policies applied in the preparation of these financial statements are summarised below. These policies have been consistently applied to all years presented.

2.1 Basis of preparation

The financial statements of the Company have been properly prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with international accounting standards in conformity with the requirements of the Act might require the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the Company's accounting policies. The Directors have concluded that these financial statements do not include areas of significant assumptions and estimates.

2.2 Summary of significant accounting policies

(i) Property, plant and equipment

Property, plant and equipment is initially measured at cost and subsequently carried at cost less accumulated depreciation and any impairment provisions.

Depreciation is provided on a straight line basis to write off the cost less the residual estimated value of property, plant and equipment over their estimated useful lives. Property, plant and equipment's residual value and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. The estimated useful life of other office equipment is 5 years.

(ii) Deferred tax asset and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available, against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction, which at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

REINET ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2.2 Summary of significant accounting policies (continued)

(iii) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial instruments as either those to be measured subsequently at fair value or those to be measured at amortised cost. The classification and subsequent measurement depends on the Company's business model for managing financial instruments and the contractual terms of the cash flows.

Financial assets and liabilities are initially measured at fair value. For financial assets and liabilities which are subsequently measured at amortised cost, transaction costs are included in the initial measurement of the instrument whilst the transaction costs of those subsequently measured at fair value are recognised immediately in the statement of comprehensive income.

Subsequent measurement

The Company does not currently hold any financial instruments classified and measured at fair value through profit or loss.

Financial assets are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment provisions.

Financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets classified at amortised cost

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months and, as such, has chosen to apply the simplified approach for expected credit losses ("ECL") under IFRS 9 to its trade receivables. All factors that could contribute to expected future losses are considered by the Directors and a loss allowance based on lifetime ECLs is recognised at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Derecognition

A financial asset or part of a financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; and
- Substantially all risks and rewards of the asset have been transferred.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(iv) Trade receivables

Trade receivables are initially recognised at transaction price and are subsequently measured at amortised cost, using the effective interest method, less impairment using the simplified credit loss model.

REINET ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

2.2 Summary of significant accounting policies (continued)

(v) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at amortised cost. Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(vi) Accruals

Accruals are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(vii) Share capital and retained earnings

Share capital represents the nominal value of shares that have been issued and are classified as equity. Retained earnings include all current and prior period retained profits / (losses).

(viii) Turnover

Turnover is measured at the fair value of consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

Turnover is recognised over the period during which the services are performed in accordance with the substance of the relevant agreements and the Company applies the five step model approach to revenue recognition.

(ix) Interest income

Interest income is recognised in the statement of comprehensive income, using the effective interest method.

(x) Administrative expenses

Administrative expenses are accounted for on an accruals basis.

(xi) Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

(xii) Foreign currencies

The currency of the primary economic environment in which the Company operates (the "Functional Currency") and presentation currency is Sterling ("GBP").

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rate prevailing at the year end date. All resulting exchange gains or losses are included in the statement of comprehensive income in the period in which they arise.

REINET ADVISORS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2022****2.2 Summary of significant accounting policies (continued)****(xiii) Taxation**

Current income tax liabilities / (assets) are measured at the amount expected to be paid to / (recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The Company is liable for UK Corporation Tax on its adjusted trading profits. The current rate for Corporation Tax for the tax year 2021-2022 is 19% (2020-2021: 19%).

(xiv) Dividends

Dividends to the Company's shareholder are recognised in the financial statements in the period in which the dividends are approved by the Board.

2.3 New standards and interpretations

There were no new standards, amendments to standards or interpretations that affected the 31 March 2022 financial statements or are expected to affect the financial statements significantly in future reporting periods.

	2022	2021
	<u>GBP</u>	<u>GBP</u>
3. Property, plant and equipment - Other office equipment		
Cost at 1 April	199,150	192,260
Accumulated depreciation at 1 April	(85,123)	(47,708)
Net book value at 1 April	114,027	144,552
Additions for the year	23,421	6,890
Depreciation charge for the year	(34,273)	(37,415)
Net book value at 31 March	103,175	114,027
Cost at 31 March	222,571	199,150
Accumulated depreciation at 31 March	(119,396)	(85,123)
	2022	2021
	<u>GBP</u>	<u>GBP</u>
4. Prepayment		
Maintenance support services - within 12 months	7,722	7,722
Maintenance support services - after 12 months	12,872	20,595
	20,594	28,317

The prepayment represents the cost of maintenance support services provided in relation to other office equipment purchased on 2 December 2019 following installation. The cost of the maintenance support services will be released over the period of the maintenance services, this being 5 years.

	2022	2021
	<u>GBP</u>	<u>GBP</u>
5. Deferred tax		
<i>Deferred tax liability</i>		
The deferred tax liability balance comprises temporary differences attributable to:		
Accelerated capital allowances for tax purposes	(19,603)	(21,665)
Accrual for pension contributions	963	831
	(18,640)	(20,834)

REINET ADVISORS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

	2022	2021
	GBP	GBP
5. Deferred tax (continued)		
<i>Reconciliation of deferred tax liability movements</i>		
Balance at the beginning of the year	(20,834)	(26,563)
Accelerated capital allowances for tax purposes	2,062	5,800
Accrual for pension contributions	132	(71)
	(18,640)	(20,834)

	2022	2021
	GBP	GBP
6. Accruals		
Apprenticeship Levy	12,214	-
Audit fees	13,800	13,150
HMRC: PAYE / NIC	96,692	102,535
IT maintenance & computer expenses	886	263
Other	284	25
Pension contributions	5,071	4,375
Professional services	1,217	1,000
Travel expenses	1,043	-
	131,207	121,348

	2022	2021
	GBP	GBP
7. Share capital		
Authorised, Issued and paid:		
50,000 ordinary shares of GBP 1 each	50,000	50,000

8. Income on ordinary activities before taxation

The following items have been included in arriving at income on ordinary activities before taxation:

	2022	2021
	GBP	GBP
Audit fees	13,931	13,278
Depreciation	34,273	37,415
Office usage fee	97,458	97,259

In the year ended 31 March 2022 the Company paid an annual usage fee of GBP 97,458 (2021: GBP 97,259) for the use of offices and facilities / services. The agreement renews automatically on an annual basis and can be cancelled by either party with 3 months' notice. The Directors have therefore elected to apply the exemption for short-term leases under IFRS 16.

	2022	2021
	GBP	GBP
9. Staff costs		
Salaries	2,141,654	2,151,397
Employer: NIC	285,821	287,745
Other payroll costs	45,736	30,841
	2,473,211	2,469,983

The average number of employees during the year was 5 (2021: 5).

REINET ADVISORS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022****10. Directors' emoluments**

Directors who held office during the year received emoluments of GBP 1,404,081 (2021: GBP 1,484,081) which are included in staff costs.

	2022	2021
	GBP	GBP
11. Taxation		
Income tax	(53,328)	(56,819)
Deferred tax	2,194	5,730
Taxation per the Statement of comprehensive income	(51,134)	(51,089)

Reconciliation of income tax expense

Reconciliation between accounting income and income tax:

Accounting income	269,126	268,890
Tax at applicable corporation tax rate in the United Kingdom of 19% (2021: 19%)	(51,134)	(51,089)
Taxation per the Statement of comprehensive income	(51,134)	(51,089)

	2022	2021
	GBP	GBP
12. Cash generated from operations		
Net profit before taxation	269,126	268,890
Adjustments for:		
Depreciation	34,273	37,415
Interest income	(326)	(211)
Changes in working capital:		
(Increase) / decrease in trade receivables and prepayments	(37,891)	44,462
Increase / (decrease) in accruals	9,859	(8,146)
	275,041	342,410

13. Financial instruments and risk management

The Company's Board of Directors are responsible for identifying and controlling risk to ensure the creation and protection of shareholder value. The Company could be exposed to market risk (comprising of price risk, interest rate risk and currency risk), liquidity risk and credit risk arising from the financial instruments it holds. This note presents information on the Company's exposure to each of the above risks and the risk management policies employed by the Company to manage these risks.

13.1 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. This risk is deemed minimal to the Company due to the limited amount of financial instruments held.

13.1.1 Price Risk

The Company is not exposed to price risk as it does not have any investments in equity instruments that are accounted for at fair value.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

13. Financial instruments and risk management (continued)

13.1.2 Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities. The Company is not subject to any significant interest rate risk.

13.1.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As the Company currently has no assets or liabilities that are denominated in currencies other than Sterling, the Company is not exposed to this risk.

13.2 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility the Company could be required to pay its liabilities earlier than expected. The Company manages its liquidity risk by maintaining sufficient cash to meet the liabilities as they fall due.

The maturity analysis below shows the Company's contractual financial liabilities at the end of the year.

	2022	2021
	<u>GBP</u>	<u>GBP</u>
Less than 1 month	116,357	107,198
1 to 12 months	14,850	14,150
	<u>131,207</u>	<u>121,348</u>

13.3 Credit risk

Credit risk is the risk that a counterparty of a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The table below reflects the Company's maximum credit risk at the reporting date:

	2022	2021
	<u>GBP</u>	<u>GBP</u>
Cash and cash equivalents	867,177	669,441
Trade receivables	64,750	19,136
	<u>931,927</u>	<u>688,577</u>

Cash is held at a single reputable regulated financial institution with a Moody's credit rating of A1 (2021: A1). The Directors monitor the cash held on a regular basis.

Inherent to the Company's principal activity there is a significant concentration of credit risk in Reinet Investment Advisors Limited ("RIAL"). As at 31 March 2022, the Company is due fees from RIAL as disclosed in note 14.

The outstanding amount was received in full on 14 April 2022, mitigating the year end credit risk in full. Based on the financial results of RIAL for the year ended 31 March 2022 future credit risk relating to this single party is deemed to be minimal.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

13. Financial instruments and risk management (continued)

13.4 Capital risk management

The share capital and retained income are considered to be the capital of the Company. The Company is licensed by the Financial Conduct Authority (the "FCA") and in accordance with FCA regulations must meet certain capital liquidity requirements. The Directors monitor the capital of the Company to ensure the Company continues as a going concern whilst ensuring optimal return for the shareholder and compliance with the FCA's capital requirements. The Company met all FCA capital and liquidity requirements throughout the year.

14. Related party disclosures

A related party is a person or entity which has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The Company's transactions with related parties are detailed below and in note 10:

Consultancy fees

During the year consultancy fees totalling GBP 2,957,250 (2021: GBP 2,955,650) were earned from RIAL, the parent company, for advising on investments. At 31 March 2022 consultancy fees of GBP 64,750 (2021: GBP 15,650) were receivable and are not overdue or impaired.

15. Events after the reporting date

There have been no significant events since the statement of financial position date. The Company has not experienced any direct impact from the COVID-19 pandemic or the Ukrainian crisis to date.

16. Ultimate controlling party

The Company's financial statements are not included in any publicly available consolidated financial statements.

As at 31 March 2022 and 31 March 2021, the Company's parent company was RIAL. The ultimate controlling party is the trustee of the Westminster Trust.