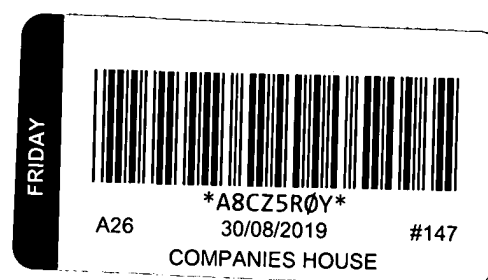


Registered number: 07315931

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

D Horner
V Langford
D Taylor
M Horner
H Horner
T Horner
C Watson

COMPANY SECRETARY

M Horner

REGISTERED NUMBER

07315931

REGISTERED OFFICE

11 Laura Place
Bath
BA2 4BL

INDEPENDENT AUDITORS

Bishop Fleming Bath Limited
Chartered Accountants & Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

CONTENTS

	Page
Group Strategic Report	1
Directors' Report	2 - 3
Directors' Responsibilities Statement	4
Independent Auditors' Report	5 - 7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Company Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13 - 14
Notes to the Financial Statements	14 - 30

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

BUSINESS REVIEW

The Directors consider that given the development of the Group in the year the results are satisfactory.

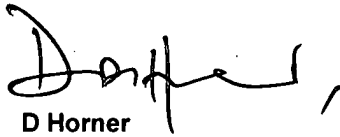
PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainties facing the Group arise from the perception of risk associated with the products which the Group manages on behalf of investment funds.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Group.

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



D Horner
Director

Date: 22/7/19

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their report and the Financial Statements for the year ended 31 March 2019.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,143,502 (2018: £1,567,085).

Dividends of £945,000 were declared and paid during the year (2018: £Nil). The Directors do not recommend the payment of a final dividend.

DIRECTORS

The Directors who served during the year were:

D Horner
V Langford
D Taylor
M Horner
H Horner
T Horner
C Watson

FUTURE DEVELOPMENTS

The Directors anticipate that the Group will continue to trade in a similar manner for the foreseeable future.

MATTERS COVERED IN THE STRATEGIC REPORT

The Group has included mandatory Directors' Report disclosures within the Strategic Report as they are considered by the Directors to be of strategic importance, as permitted by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

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 and the Group'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 and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group since the year end.

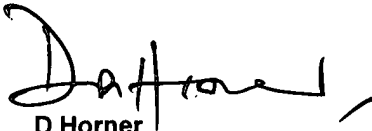
AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

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



D Horner
Director

Date: 22/7/19

11 Laura Place
Bath
BA2 4BL

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

OPINION

We have audited the Financial Statements of Chelverton Asset Management Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company 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 Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's 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 Group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the 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 Group's or the Parent 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.

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 Auditors' 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.

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.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED (CONTINUED)

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 Group 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 Group 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED (CONTINUED)

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.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



Andrew Sandiford BCom FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

22/2/19

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	7,873,032	5,670,803
Cost of sales		(1,373,669)	(963,835)
Gross profit		6,499,363	4,706,968
Administrative expenses		(3,875,419)	(2,846,365)
Gain on revaluation of listed investments		-	93,729
Operating profit	5	2,623,944	1,954,332
Interest receivable and similar income		58,667	11,336
Interest payable and expenses		(959)	(11,692)
Profit before tax		2,681,652	1,953,976
Tax on profit	8	(538,150)	(386,891)
Profit for the financial year		2,143,502	1,567,085

There was no other comprehensive income for 2019 (2018: £NIL).

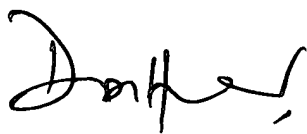
The notes on pages 14 to 30 form part of these financial statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED
REGISTERED NUMBER:07315931

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	1,774,885	1,894,290
Investments	13	18,000	30,000
		<u>1,792,885</u>	<u>1,924,290</u>
Current assets			
Debtors: amounts falling due within one year	14	3,612,664	1,726,518
Cash at bank and in hand		1,419,993	2,130,499
		<u>5,032,657</u>	<u>3,857,017</u>
Creditors: amounts falling due within one year	15	(2,078,633)	(1,705,400)
Net current assets		<u>2,954,024</u>	<u>2,151,617</u>
Total assets less current liabilities		<u>4,746,909</u>	<u>4,075,907</u>
Provisions for liabilities			
Other provisions		(250,000)	-
		<u>(250,000)</u>	<u>-</u>
Net assets		<u><u>4,496,909</u></u>	<u><u>4,075,907</u></u>
Capital and reserves			
Called up share capital	19	100,000	100,000
Other reserves	20	(80,000)	-
Profit and Loss Account	20	4,476,909	3,975,907
		<u><u>4,496,909</u></u>	<u><u>4,075,907</u></u>

The Financial Statements were approved and authorised for issue by the Board and were signed on its behalf by:



D Horner
Director

Date: 22/7/19


The notes on pages 14 to 30 form part of these financial statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED
REGISTERED NUMBER:07315931

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2017 £
Fixed assets			
Investments	13	3,286,032	3,286,032
		<u>3,286,032</u>	<u>3,286,032</u>
Current assets			
Debtors: amounts falling due within one year	14	521,121	469,999
		<u>521,121</u>	<u>469,999</u>
Creditors: amounts falling due within one year	15	(4,414,754)	(3,397,228)
		<u>(3,893,633)</u>	<u>(2,927,229)</u>
Net current liabilities		<u>(3,893,633)</u>	<u>(2,927,229)</u>
Total assets less current liabilities		<u>(607,601)</u>	<u>358,803</u>
Net (liabilities)/assets		<u><u>(607,601)</u></u>	<u><u>358,803</u></u>
Capital and reserves			
Called up share capital	19	100,000	100,000
Other reserves	20	(80,000)	-
Profit and Loss Account	20	(627,601)	258,803
		<u>(607,601)</u>	<u>358,803</u>

The Financial Statements were approved and authorised for issue by the Board and were signed on its behalf by:



D Horner
Director

Date: 22/7/19

The notes on pages 14 to 30 form part of these financial statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Other reserves	Profit and Loss Account	Total equity
	£	£	£	£
At 1 April 2018	100,000	-	3,975,907	4,075,907
Profit for the year	-	-	2,143,502	2,143,502
Dividends: Equity capital	-	-	(945,000)	(945,000)
Consideration for purchase of own shares through ESOT	-	(880,000)	-	(880,000)
Exercise of share options (Note 20)	-	800,000	(697,500)	102,500
At 31 March 2019	100,000	(80,000)	4,476,909	4,496,909

The notes on pages 14 to 30 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and Loss Account	Total equity
	£	£	£
At 1 April 2017	100,000	2,408,822	2,508,822
Profit for the year	-	1,567,085	1,567,085
At 31 March 2018	100,000	3,975,907	4,075,907

The notes on pages 14 to 30 form part of these financial statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Other reserves	Profit and Loss Account	Total equity
	£	£	£	£
At 1 April 2018	100,000	-	258,803	358,803
Profit for the year	-	-	756,096	756,096
Dividends: Equity capital	-	-	(945,000)	(945,000)
Consideration for purchase of own shares through ESOT	-	(880,000)	-	(880,000)
Exercise of share options (Note 20)	-	800,000	(697,500)	102,500
At 31 March 2019	100,000	(80,000)	(627,601)	(607,601)

The notes on pages 14 to 30 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and Loss Account	Total equity
	£	£	£
At 1 April 2017	100,000	91,203	191,203
Profit for the year	-	167,600	167,600
At 31 March 2018	100,000	258,803	358,803

The notes on pages 14 to 30 form part of these financial statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	2,143,502	1,567,085
Adjustments for:		
Amortisation of intangible assets	119,405	119,405
Impairment of fixed asset investments	12,000	-
Interest paid	959	11,692
Interest received	(58,667)	(11,336)
Taxation charge	538,150	386,891
Increase in debtors	(1,767,939)	(852,740)
Increase in creditors	193,661	517,484
Increase in provisions	250,000	-
Net fair value gains recognised in P&L	-	(93,729)
Corporation tax paid	(395,391)	(325,666)
Net cash generated from operating activities	1,035,680	1,319,086
Cash flows from investing activities		
Interest received	58,667	11,336
Net cash from investing activities	58,667	11,336
Cash flows from financing activities		
Repayment of other loans	(81,394)	(481,602)
Dividends paid	(945,000)	-
Interest paid	(959)	(11,692)
Consideration paid for purchase of own shares	(880,000)	-
Consideration received on exercise of share options	102,500	-
Net cash used in financing activities	(1,804,853)	(493,294)
Net (decrease)/increase in cash and cash equivalents	(710,506)	837,128
Cash and cash equivalents at beginning of year	2,130,499	1,293,371
Cash and cash equivalents at the end of year	1,419,993	2,130,499
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,419,993	2,130,499
	1,419,993	2,130,499

The notes on pages 14 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. COMPANY INFORMATION

Chelverton Asset Management Holdings Limited is a private company limited by shares registered in England and Wales. The registered office is 11 Laura Place, Bath, BA2 4BL.

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are, therefore, eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES (continued)

2.4 INTANGIBLE ASSETS

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Fixtures and fittings	- Straight line over five years
Computer equipment	- Straight line over three years

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 the Consolidated Statement of Comprehensive Income.

2.6 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES (continued)

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 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in non-puttable 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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and, subsequently, at amortised cost.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 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.

2.11 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. ACCOUNTING POLICIES (continued)

2.12 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 SHARE BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Consolidated Statement of Comprehensive Income over the remaining vesting period.

2.14 PENSIONS

The Company contributes to personal pension plans for certain employees. The contributions are recognised as an expense in the Statement of Comprehensive Income 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.

2.15 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. ACCOUNTING POLICIES (continued)

2.17 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.18 CONSOLIDATION OF EMPLOYEE BENEFIT TRUST

In accordance with FRS 102, the assets and liabilities of an Employee Benefit Trust arrangement have been consolidated into these financial statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Debtor provision

The Company recognises a provision against potential bad debts. Management considers the ageing profile and known concerns over recoverability when establishing this provision.

Accruals

At each year end the Company reviews the progress of its investment management activity. Where the Company identifies that a particular investment is likely to be aborted, management provides for an estimate of the costs incurred at the year end. This is based on professional fees and other costs incurred on the particular investment.

Goodwill

Consolidated goodwill was recognised on the re-organisation of the Group in a previous accounting period. Goodwill is capitalised, classified as an asset on the Statement of Financial Position and amortised on a straight line basis over its useful life. The Company establishes a reliable estimate of the useful life of the goodwill based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the asset is attributed and any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

4. TURNOVER

All turnover arose within the United Kingdom and is attributable to the principal activity of the Group.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Amortisation of intangible assets, including goodwill	119,405	119,405
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	3,000	3,000
Fees payable to the Group's auditor for the audit of the Group's subsidiaries pursuant to legislation	4,250	4,250
Fees payable to the Group's auditor for taxation compliance services	1,950	1,500
Defined contribution pension cost	26,688	25,950

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. EMPLOYEES

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

	2019 £	2018 £
Wages and salaries	2,231,617	1,763,833
Social security costs	282,962	227,280
Cost of defined contribution scheme	26,688	25,950
	<u>2,541,267</u>	<u>2,017,063</u>

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

	2019 No.	2018 No.
Director	7	7
Administration	9	7
	<u>16</u>	<u>14</u>

7. DIRECTORS' REMUNERATION

	2019 £	2018 £
Directors' emoluments	954,000	788,917
	<u>954,000</u>	<u>788,917</u>

The highest paid Director received remuneration of £550,000 (2018: £469,333).

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

8. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits for the year	563,650	395,416
Adjustments in respect of previous periods	-	(25)
	<u>563,650</u>	<u>395,391</u>
TOTAL CURRENT TAX	<u>563,650</u>	<u>395,391</u>
DEFERRED TAX		
Origination and reversal of timing differences	(25,500)	(8,500)
TOTAL DEFERRED TAX	<u>(25,500)</u>	<u>(8,500)</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>538,150</u>	<u>386,891</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2017 £
Profit on ordinary activities before tax	<u>2,681,652</u>	<u>1,953,976</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	509,514	371,255
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	24,967	22,687
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	669	9,783
Adjustments to tax charge in respect of prior periods	-	(25)
Unrealised gain on revaluation of listed investments	-	(17,809)
Movements on deferred taxation	3,000	1,000
TOTAL TAX CHARGE FOR THE YEAR	<u>538,150</u>	<u>386,891</u>

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

8. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance (No 2) Act 2016, which provides for a reduction in the main rate of UK Corporation tax to 17% with effect from 1 April 2020 was substantively enacted on 6 September 2016.

9. DIVIDENDS

	2019 £	2018 £
Dividends paid on ordinary shares	945,000	-
	<u>945,000</u>	<u>-</u>

10. INTANGIBLE ASSETS

Group

	Goodwill £
COST	
At 1 April 2018	2,388,107
At 31 March 2019	<u>2,388,107</u>
AMORTISATION	
At 1 April 2018	493,817
Charge for the year	119,405
At 31 March 2019	<u>613,222</u>
NET BOOK VALUE	
At 31 March 2019	<u>1,774,885</u>
At 31 March 2018	<u>1,894,290</u>

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****11. PARENT COMPANY PROFIT FOR THE YEAR**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £756,096 (2018: £167,600).

12. TANGIBLE FIXED ASSETS**Group**

	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION			
At 1 April 2018	16,697	16,456	33,153
At 31 March 2019	16,697	16,456	33,153
DEPRECIATION			
At 1 April 2018	16,697	16,456	33,153
At 31 March 2019	16,697	16,456	33,153
NET BOOK VALUE			
At 31 March 2019	-	-	-
At 31 March 2018	-	-	-

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST OR VALUATION	
At 1 April 2018	30,000
At 31 March 2019	30,000
IMPAIRMENT	
Charge for the period	12,000
At 31 March 2019	12,000
NET BOOK VALUE	
At 31 March 2019	18,000
At 31 March 2018	30,000

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. FIXED ASSET INVESTMENTS (CONTINUED)

Company

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2018	3,286,032
Additions	250,420
	<hr/>
At 31 March 2019	3,536,452
IMPAIRMENT	
Charge for the period	250,420
	<hr/>
At 31 March 2019	250,420
	<hr/>
NET BOOK VALUE	
At 31 March 2019	3,286,032
	<hr/>
At 31 March 2018	3,286,032
	<hr/>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Chelverton Asset Management Limited	Ordinary	100%
Colinette Holdings Limited	Ordinary	100%

Colinette Holdings Limited was dormant throughout the year and the intention is to strike off the company after the year end.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. DEBTORS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	127,969	114,652	-	-
Other debtors	2,612,254	965,675	521,121	469,999
Prepayments and accrued income	812,941	612,191	-	-
Deferred taxation	59,500	34,000	-	-
	3,612,664	1,726,518	521,121	469,999

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans	-	81,394	-	81,394
Trade creditors	1,388	15,568	-	-
Amounts owed to Group undertakings	-	-	4,121,995	3,313,334
Corporation tax	495,913	215,114	289,759	-
Other taxation and social security	84,008	57,471	-	-
Other creditors	65,363	-	-	-
Accruals and deferred income	1,431,961	1,335,853	3,000	2,500
	2,078,633	1,705,400	4,414,754	3,397,228

Other loans are unsecured and bear interest at 5% per annum.

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

16. DEFERRED TAXATION

Group

	2019 £
At 1 April 2018	34,000
Charged to the Profit and Loss Account	25,500
At 31 March 2019	59,500

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. DEFERRED TAXATION (CONTINUED)

The deferred tax asset is made up as follows:

	Group 2019 £	Group 2018 £
Timing differences	59,500	34,000
	<u>59,500</u>	<u>34,000</u>

17. FINANCIAL INSTRUMENTS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	1,437,993	2,160,499	-	-
Financial assets that are debt instruments measured at amortised cost	3,463,068	1,639,026	521,121	469,999
Financial assets that are equity instruments measured at cost less impairment	-	-	3,286,032	3,286,032
	<u>4,901,061</u>	<u>3,799,525</u>	<u>3,807,153</u>	<u>3,756,031</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	<u>(1,433,349)</u>	<u>(1,432,815)</u>	<u>(4,124,995)</u>	<u>(3,457,228)</u>

Financial assets measured at fair value through profit or loss comprise listed investments, unlisted investments and cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by Group undertakings, other debtors and accrued income.

Financial assets that are equity instruments measured at cost less impairment comprise investments in subsidiary undertakings.

Financial liabilities measured at amortised cost comprise other loans, bank overdrafts, trade creditors, amounts owed to Group undertakings, other creditors and accruals.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. PROVISIONS

Group

	Other provisions £
Charged to profit or loss	250,000
AT 31 MARCH 2019	250,000

19. SHARE CAPITAL

	2019 £	2018 £
ALLOTTED, CALLED UP AND FULLY PAID		
100,000 (2018: 100,000) Ordinary shares of £1.00 each	100,000	100,000

20. RESERVES

Other reserves

Other reserves represent the Company's investment in its own shares. See note 20 for further information.

Profit and Loss Account

The Profit and Loss Accounts includes all current and prior period retained profit and losses and is available for distribution.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

21. EMPLOYEE BENEFIT TRUST

On 24 November 2017, the Company granted options over 8,000 Ordinary £1 shares to certain key employees. The options are exercisable between 24 November 2017 and 24 November 2024. The options can only be exercised if certain performance conditions are satisfied. The exercise price is between £17.50 and £25 per share.

The directors have not recognised a charge for these share options as required by FRS 102 Section 26 Share Based Payments as they deem any charge to be immaterial to the financial statements.

On 6 April 2018 the Company established a Trust (the Chelverton Asset Management Employee Share Trust), constituted as an employee's share scheme under section 1166 of Companies Act 2006, to acquire and hold shares in the Company in connection with the above employee share scheme for certain key employees. On 9 April 2018, the Trust acquired 5,500 Ordinary £1 Shares of the Company.

In accordance with FRS 102 the assets and liabilities of this employee benefit trust arrangement have been consolidated into these financial statements, giving rise, initially to a reserve for own shares of £880,000 (being 5,500 shares purchased by the Trust at £160 per share).

On 28 February 2019, the options to purchase; 2,000 shares at an exercise price of £17.50; 1,000 shares at an exercise price of £20 per share; and 1,000 shares at an exercise price of £25.00 per share were exercised.

On 11 March 2019 options to purchase; 500 shares at an exercise price of £20 per share and 500 shares at an exercise price of £25 per share were exercised.

The total consideration received on the exercise of the above share options was £102,500, and therefore a realised loss of £697,500 has been recognised in the Profit and Loss Account.

At the year end date the remaining reserve for own shares had a balance of £80,000 (being 500 shares purchase by the Trust at £160 per share). The option to purchase these shares was exercised after the year end on 2 April 2019 at an exercise price of £20 per share.

22. PENSION COMMITMENTS

The Group pays contributions to personal pension plans in respect of certain employees. The cost of the premiums to the Group during the year amounted to £26,688 (2018: £25,950). There were no premiums outstanding at the either the current or previous year end.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	13,500	13,500
Later than 1 year and not later than 5 years	13,500	13,500
Later than 5 years	12,095	25,595
	39,095	52,595

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

24. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with wholly owned Group companies.

During the year fee income of £37,518 (2018: £49,247) was charged by the Group to companies under common directorship.

At the year end a balance of £1,970,000 (2018: £355,000) was due from a company under common directorship. Interest accrues on the loan at a rate of 5% per annum.

Included within other debtors at the year end are loans of £221,566 (2018: £469,999) due from family members of one of the Directors.

Included within other loans is £Nil (2018: £81,394) due to a Director and members of their immediate family.

25. CONTROLLING PARTY

The Directors believe that there is no one ultimate controlling party of the Group.