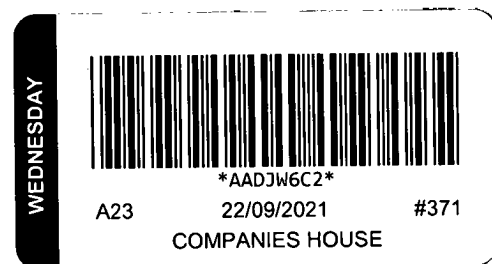


CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



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

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

BUSINESS REVIEW

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

PRINCIPAL RISKS AND UNCERTAINTIES

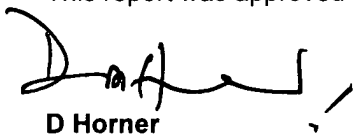
The principal risk and uncertainties facing the Group arise from the perception of risk associated with the products which the Group manages on behalf of investment funds.

Following the outbreak of the COVID-19 virus in early 2020, the Directors have considered the impact this disruption could have upon the business. The Directors are confident that market conditions will, in the long-term, return to a position similar to that before the COVID-19 outbreak and are in a strong financial position with sufficient resources to withstand any short term business disruption. The Directors have assumed that there will be no material change to the current business model as a result of COVID-19.

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: 9 July 2021

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report and the Financial Statements for the year ended 31 March 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £904,162 (2020: £2,772,890).

Dividends of £1,440,000 were declared and paid during the year (2020: £1,570,000). 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.

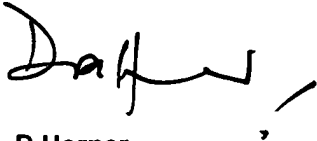
AUDITORS

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 2021**

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

A handwritten signature in black ink, appearing to read 'D Horner', with a stylized flourish at the end.

D Horner
Director

Date: 9 July 2021

11 Laura Place
Bath
BA2 4BL

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

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 the Directors' Report may differ from legislation in other jurisdictions.

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 2021, 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 2021 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.

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.

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:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of enquiries with management, the Directors, and representatives from the company in relation to their own identification and assessment of the risks of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, and employment law.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the Financial Statements or non-compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

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

9 July 2021

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	10,084,566	8,782,358
Cost of sales		(1,863,600)	(1,555,001)
Gross profit		8,220,966	7,227,357
Administrative expenses		(6,756,607)	(3,893,413)
Operating profit	5	1,464,359	3,333,944
Interest receivable and similar income		160,548	148,150
Profit before tax		1,624,907	3,482,094
Tax on profit	8	(720,745)	(709,204)
Profit for the financial year		904,162	2,772,890

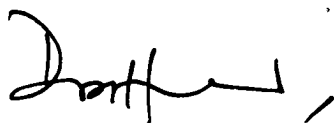
The notes on pages 16 to 32 form part of these Financial Statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED
REGISTERED NUMBER:07315931

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	10	1,536,075	1,655,480
Investments	13	32,500	-
		<u>1,568,575</u>	<u>1,655,480</u>
Current assets			
Debtors: amounts falling due after more than one year	14	202,500	-
Debtors: amounts falling due within one year	14	5,815,080	4,718,688
Cash at bank and in hand		1,297,124	1,679,742
		<u>7,314,704</u>	<u>6,398,430</u>
Creditors: amounts falling due within one year	15	(3,880,209)	(2,094,111)
Net current assets		<u>3,434,495</u>	<u>4,304,319</u>
Total assets less current liabilities		<u>5,003,070</u>	<u>5,959,799</u>
Provisions for liabilities			
Other provisions	17	(250,000)	(250,000)
		<u>(250,000)</u>	<u>(250,000)</u>
Net assets		<u><u>4,753,070</u></u>	<u><u>5,709,799</u></u>
Capital and reserves			
Called up share capital	18	100,000	100,000
Other reserves	19	(2,457,750)	-
Share based payment reserve	19	2,036,859	-
Profit and Loss Account	19	5,073,961	5,609,799
		<u><u>4,753,070</u></u>	<u><u>5,709,799</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: 9 July 2021

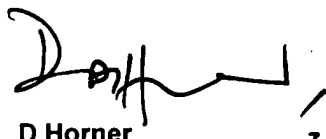
The notes on pages 16 to 32 form part of these Financial Statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED
REGISTERED NUMBER:07315931

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2019 £
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	548,187	534,692
		<u>548,187</u>	<u>534,692</u>
Creditors: amounts falling due within one year	15	(4,086,076)	(3,661,700)
		<u>(3,537,889)</u>	<u>(3,127,008)</u>
Net current liabilities			
		<u>(3,537,889)</u>	<u>(3,127,008)</u>
Total assets less current liabilities		<u>(251,857)</u>	<u>159,024</u>
Net (liabilities)/assets		<u>(251,857)</u>	<u>159,024</u>
Capital and reserves			
Called up share capital	18	100,000	100,000
Other reserves	19	(2,457,750)	-
Share based payment reserve	19	2,036,859	-
Profit and Loss Account	19	69,034	59,024
		<u>(251,857)</u>	<u>159,024</u>

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



D Horner
Director

Date: 9 July 2021

The notes on pages 16 to 32 form part of these Financial Statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Other reserves	Share based payment reserve	Profit and Loss Account	Total equity
	£	£	£	£	£
At 1 April 2020	100,000	-	-	5,609,799	5,709,799
Profit for the year	-	-	-	904,162	904,162
Credit to share based payment reserve	-	-	2,036,859	-	2,036,859
Dividends: Equity capital	-	-	-	(1,440,000)	(1,440,000)
Purchase of own shares through ESOT	-	(2,457,750)	-	-	(2,457,750)
At 31 March 2021	100,000	(2,457,750)	2,036,859	5,073,961	4,753,070

The notes on pages 16 to 32 form part of these Financial Statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Other reserves	Profit and Loss Account	Total equity
	£	£	£	£
At 1 April 2019	100,000	(80,000)	4,476,909	4,496,909
Profit for the year	-	-	2,772,890	2,772,890
Dividends: Equity capital	-	-	(1,570,000)	(1,570,000)
Exercise of share options (Note 20)	-	80,000	(70,000)	10,000
At 31 March 2020	100,000	-	5,609,799	5,709,799

The notes on pages 16 to 32 form part of these Financial Statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Other reserves	Merger reserve	Profit and Loss Account	Total equity
	£	£	£	£	£
At 1 April 2020	100,000	-	-	59,024	159,024
Profit for the year	-	-	-	1,450,010	1,450,010
Other movement type 1	-	-	2,036,859	-	2,036,859
Dividends: Equity capital	-	-	-	(1,440,000)	(1,440,000)
Purchase of own shares through ESOT	-	(2,457,750)	-	-	(2,457,750)
At 31 March 2021	100,000	(2,457,750)	2,036,859	69,034	(251,857)

The notes on pages 16 to 32 form part of these Financial Statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Other reserves	Profit and Loss Account	Total equity
	£	£	£	£
At 1 April 2019	100,000	(80,000)	(627,601)	(607,601)
Profit for the year	-	-	2,326,625	2,326,625
Dividends: Equity capital	-	-	(1,570,000)	(1,570,000)
Exercise of share options (Note 20)	-	80,000	(70,000)	10,000
At 31 March 2020	100,000	-	59,024	159,024

The notes on pages 16 to 32 form part of these Financial Statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	904,162	2,772,890
Adjustments for:		
Amortisation of intangible assets	119,405	119,405
Impairment of fixed asset investments	-	68,000
Interest received	(160,548)	(148,150)
Taxation charge	720,745	709,204
Increase in debtors	(1,309,061)	(1,239,133)
Increase in creditors	1,301,942	290,358
Corporation tax paid	(785,770)	(850,975)
Share based payment charge	2,036,859	-
Net cash generated from operating activities	2,827,734	1,721,599
Cash flows from investing activities		
Purchase of unlisted investments	(32,500)	(50,000)
Interest received	160,548	148,150
Net cash from investing activities	128,048	98,150
Cash flows from financing activities		
Dividends paid	(1,440,000)	(1,570,000)
Consideration paid for purchase of own shares	(1,898,400)	-
Consideration received on exercise of share options	-	10,000
Net cash used in financing activities	(3,338,400)	(1,560,000)
Net (decrease)/increase in cash and cash equivalents	(382,618)	259,749
Cash and cash equivalents at beginning of year	1,679,742	1,419,993
Cash and cash equivalents at the end of year	1,297,124	1,679,742
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,297,124	1,679,742
	1,297,124	1,679,742

The notes on pages 16 to 32 form part of these Financial Statements.

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021**

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,679,742	(382,618)	1,297,124
	<u>1,679,742</u>	<u>(382,618)</u>	<u>1,297,124</u>

The notes on pages 16 to 32 form part of these Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 GOING CONCERN

Following the outbreak of the COVID-19 virus in early 2020, the Directors have considered the impact this disruption could have upon the business. The Directors are confident that market conditions will, in the long term, return to a position similar to that before the COVID-19 outbreak and are in a strong financial position with sufficient resources to withstand any short term business disruption. The Directors have assumed that there will be no material change to the current business model as a result of COVID-19, and therefore they have adopted the going concern basis in preparing these financial statements.

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

2. ACCOUNTING POLICIES (continued)

2.4 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.

2.5 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.

2.6 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.

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

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS (CONTINUED)

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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

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

2. ACCOUNTING POLICIES (continued)

2.10 FINANCIAL INSTRUMENTS (CONTINUED)

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.

2.11 CREDITORS

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

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

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.

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.

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

2. ACCOUNTING POLICIES (continued)

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.

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.

Impairment of unlisted investments

The Company assesses the impairment of unlisted investments whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include significant underperformance relative to historical or projected future operating results and significant negative industry or economic trends.

Share options

On 17 July 2020, the Company granted options to certain key employees. The options are exercisable between 17 July 2020 and 17 July 2027. The options can only be exercised if certain performance conditions are satisfied. The fair value of the share based payment charge attached to the share options has been determined with reference to the value that shares were acquired by the Employee Share Ownership Trust during the year and the likelihood of the vesting conditions being satisfied over the vesting period.

4. TURNOVER

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

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

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

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets, including goodwill	119,405	119,405
Fees payable to the Group's auditor and its associates 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	1,950
Other operating lease rentals	84,454	88,948
Defined contribution pension cost	21,414	11,267
Share based payment charge	2,036,859	-

6. EMPLOYEES

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

	2021 £	2020 £
Wages and salaries	5,210,049	2,227,153
Social security costs	426,530	290,443
Cost of defined contribution scheme	21,414	11,267
	5,657,993	2,528,863

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

	2021 No.	2020 No.
Director	7	7
Administration	10	8
	17	15

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	994,924	954,000
	994,924	954,000

The highest paid Director received remuneration of £550,000 (2020: £600,000).

During the year share options were granted to 1 director (2020: Nil). See note 21 for further information.

8. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on profits for the year	711,245	726,654
Adjustments in respect of previous periods	(950)	-
	710,295	726,654
TOTAL CURRENT TAX	710,295	726,654
DEFERRED TAX		
Origination and reversal of timing differences	9,500	(10,450)
Changes to tax rates	-	(7,000)
Charge in respect of previous periods	950	-
TOTAL DEFERRED TAX	10,450	(17,450)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	720,745	709,204

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

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

8. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2017 £
Profit on ordinary activities before tax	1,624,907	3,482,094
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	308,732	661,598
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	24,967	24,967
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	387,417	29,639
Non-taxable income	(371)	-
Movements on deferred taxation	-	(7,000)
TOTAL TAX CHARGE FOR THE YEAR	720,745	709,204

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. TAXATION (CONTINUED)**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

9. DIVIDENDS

	2021 £	2020 £
Dividends paid on ordinary shares	1,440,000	1,570,000
	<u>1,440,000</u>	<u>1,570,000</u>

10. INTANGIBLE ASSETS**Group**

	Goodwill £
COST	
At 1 April 2020	2,388,107
At 31 March 2021	<u>2,388,107</u>
AMORTISATION	
At 1 April 2020	732,627
Charge for the year	119,405
At 31 March 2021	<u>852,032</u>
NET BOOK VALUE	
At 31 March 2021	<u>1,536,075</u>
At 31 March 2020	<u>1,655,480</u>

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****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 £1,450,010 (2020: £2,326,625).

12. TANGIBLE FIXED ASSETS**Group**

	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION			
At 1 April 2020	16,697	16,456	33,153
At 31 March 2021	16,697	16,456	33,153
DEPRECIATION			
At 1 April 2020	16,697	16,456	33,153
At 31 March 2021	16,697	16,456	33,153
NET BOOK VALUE			
At 31 March 2021	-	-	-
At 31 March 2020	-	-	-

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

13. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST OR VALUATION	
At 1 April 2020	68,000
Additions	32,500
At 31 March 2021	100,500
IMPAIRMENT	
At 1 April 2020	68,000
At 31 March 2021	68,000
NET BOOK VALUE	
At 31 March 2021	32,500
At 31 March 2020	-

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

13. FIXED ASSET INVESTMENTS (CONTINUED)

Company

Investments
in
subsidiary
companies
£

COST OR VALUATION

At 1 April 2020

3,286,032

At 31 March 2021

3,286,032

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name

Class of shares Holding

Chelverton Asset Management Limited

Ordinary 100%

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

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

14. DEBTORS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
DUE AFTER MORE THAN ONE YEAR				
Other debtors	202,500	-	-	-
	202,500	-	-	-
	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
DUE WITHIN ONE YEAR				
Trade debtors	500,247	139,640	-	-
Other debtors	3,762,912	3,658,998	548,187	534,692
Prepayments and accrued income	1,485,421	843,100	-	-
Deferred taxation	66,500	76,950	-	-
	5,815,080	4,718,688	548,187	534,692

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	15,235	61,799	-	-
Amounts owed to Group undertakings	-	-	3,227,328	3,365,612
Corporation tax	296,398	371,592	296,398	293,088
Other taxation and social security	88,575	62,746	-	-
Other creditors	559,350	-	559,350	-
Accruals and deferred income	2,920,651	1,597,974	3,000	3,000
	3,880,209	2,094,111	4,086,076	3,661,700

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

CHELVERTON ASSET MANAGEMENT HOLDINGS LIMITED

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

16. DEFERRED TAXATION

Group

	2021 £
At 1 April 2019	76,950
Charged to the Profit and Loss Account	(10,450)
At 31 March 2020	66,500

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £
Timing differences	66,500	76,950
	66,500	76,950

17. PROVISIONS

Group

	Other provisions £
At 1 April 2020	250,000
Charged to profit or loss	50,000
Utilised in year	(50,000)
AT 31 MARCH 2021	250,000

Other provisions at the year end relate to abort fees provided on investments which the Directors deem are unlikely to progress.

18. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
100,000 (2020: 100,000) Ordinary shares of £1.00 each	100,000	100,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. 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.

Share based payment reserve

The share based payment reserve represents the fair value of the options granted but not yet exercised at the year end.

20. EMPLOYEE BENEFIT TRUST

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 Company's employee share scheme for certain key employees.

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 £2,457,750 (being 7,250 Ordinary £1 shares acquired for £339 per share).

No share options were exercised in the year to 31 March 2021.

21. SHARE BASED PAYMENTS

On 17 July 2020, the Company granted options over 9,750 Ordinary £1 shares to certain key employees. The options are exercisable between 17 July 2020 and 17 July 2027. The options can only be exercised if certain performance conditions are satisfied. The exercise price is between £22.50 and £30.00 per share.

A share based payment charge of £2,036,859 has been recognised in the year to 31 March 2021 in respect of the options granted based on the value that shares were acquired by the Employee Share Ownership Trust during the year and the likelihood of the vesting conditions being satisfied over the vesting period.

No share options were exercised, forfeited or lapsed in the year to 31 March 2021, and therefore at the year end date options over 9,750 Ordinary £1 shares remained in place.

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 £21,414 (2020: £11,267). There were no premiums outstanding at either the current or previous year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	12,095	13,500
Later than 1 year and not later than 5 years	-	12,095
	<u>12,095</u>	<u>25,595</u>

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 £26,902 (2020: £26,175) was charged by the Group to companies with common directors.

During the year service charges of £22,418 (2020: £22,418) were made to a company with common directors, of which £13,451 (2020: £6,726) remained outstanding at the year-end.

At the year end a balance of £2,950,000 (2020: £2,950,000) was due from a company with common directors. Interest accrues on the loan at a rate of 5% per annum and the loan is guaranteed by a Director of the Company. During the year interest of £147,196 (2020: £134,802) was charged on the loan, of which £225,985 (2020: £78,789) remained outstanding at the year end.

Included within other debtors at the year end are loans of £378,743 (2020: £368,420) due from 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.