

**Company Registration No. 08100415 (England and Wales)**

**Darwin Alternative Investment Management Limited**

**Annual report and financial statements  
for the year ended 30 September 2022**

## **Darwin Alternative Investment Management Limited**

### **Company information**

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**Directors**                      Anthony Esse  
   Christopher James Affleck Penney

**Company number**              08100415

**Registered office**              Empire House  
   175 Piccadilly  
   London  
   W1J 9EN

**Independent auditor**          Saffery Champness LLP  
   71 Queen Victoria Street  
   London  
   EC4V 4BE

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**Darwin Alternative Investment Management Limited**

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## **Darwin Alternative Investment Management Limited**

### **Strategic report**

**For the year ended 30 September 2022**

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The directors present the strategic report for the year ended 30 September 2022.

#### **Fair review of the business**

The company's principal activity is that of providing investment advisory services. In the year under review, it has provided investment advisory services to the Darwin Leisure Property Fund, the Darwin Leisure Development Fund, and the Darwin Bereavement Services Fund, each of which is a class 'B' unit trust domiciled in Guernsey and regulated by the Guernsey Financial Services Commission.

The company is authorised and regulated by the Financial Conduct Authority.

The directors have not recommended the payment of a dividend during the year (2021: £nil).

#### **Principal risks and uncertainties**

##### ***Financial risk management objectives and policies***

The company uses various financial instruments which include cash and amounts due to and from related parties that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks that could result in either reduction in the company's net assets or a reduction of the profits available for dividends.

These risks include liquidity risks and credit risks. The directors' approach to the management of these risks is set out below. The objectives, policies and processes for managing the risks are summarised below and remain unchanged from previous years.

##### ***Liquidity risk***

This is the risk that the company will encounter difficulty in meeting financial liabilities. The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

##### ***Credit risk***

The company's principal assets are cash and trade debtors. The company's operations expose it to a variety of risks, including fee collection from the Darwin Leisure Development Fund and the Darwin Bereavement Services Fund.

The company has appropriate procedures in place that seek to limit the adverse effects of this risk. The risks relating to cash is managed by holding cash only at major UK banks with high quality external credit ratings or government support.

**Darwin Alternative Investment Management Limited**

**Strategic report (continued)**

**For the year ended 30 September 2022**

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**Going Concern and Future Developments**

It is the directors' intention to continue the operation of the business in the short to medium term as in the year under review, and the directors believe that they will have sufficient available resources to continue to operate for the foreseeable future and to meet all potential obligations as they fall due.

Due to the inherent nature of the company's business, its long-term future is reliant upon the continued operation of the Darwin Leisure Property Fund, the Darwin Leisure Development Fund, and the Darwin Bereavement Services Fund. The net assets of these funds at 30 September 2022 were, respectively, £617.4m (2021: £599.9m); £225.9m (2021: £177.7m); and £190.3m (2021: £138.4m).

After making enquiries, and after considering and taking into account the matters described above, the directors of Darwin Alternative Investment Management Limited have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

**Key performance indicators**

In the year under review, revenue increased to £5,016,455 (2021: £4,266,672). The increased revenue was offset by increased overheads, meaning that profit for the year remained at a similar level to prior years.

On behalf of the board

Christopher James Affleck Penney

**Director**

13 December 2022

## **Darwin Alternative Investment Management Limited**

### **Directors' report**

**For the year ended 30 September 2022**

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The directors present their annual report and financial statements for the year ended 30 September 2022.

#### **Principal activities**

The principal activity of the company continued to be that of providing investment advisory services to two investment managers. One of these is Darwin Alternative Investment Management (Guernsey) Limited which is the manager of The Darwin Leisure Development Fund, a class 'B' unit trust domiciled in Guernsey and regulated by the Guernsey Financial Services Commission, and The Darwin Bereavement Services Fund, a class 'B' unit trust domiciled in Guernsey and regulated by the Guernsey Financial Services Commission. The other is Darwin Property Investment Management (Guernsey) Limited which is the manager of The Darwin Leisure Property Fund, a class 'B' unit trust domiciled in Guernsey and regulated by the Guernsey Financial Services Commission.

#### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Anthony Esse

Christopher James Affleck Penney

#### **Auditor**

Saffery Champness LLP have expressed their willingness to continue in office.

#### **Energy and carbon report**

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

**Darwin Alternative Investment Management Limited**

**Directors' report (continued)**

**For the year ended 30 September 2022**

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**Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Christopher James Affleck Penney  
**Director**

13 December 2022

## **Darwin Alternative Investment Management Limited**

### **Independent auditor's report**

**To the members of Darwin Alternative Investment Management Limited**

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#### **Opinion**

We have audited the financial statements of Darwin Alternative Investment Management Limited (the 'company') for the year ended 30 September 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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



## **Darwin Alternative Investment Management Limited**

### **Independent auditor's report (continued)**

#### **To the members of Darwin Alternative Investment Management Limited**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Darwin Alternative Investment Management Limited**

### **Independent auditor's report (continued)**

#### **To the members of Darwin Alternative Investment Management Limited**

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#### **Auditor's responsibilities for the audit of the financial statements**

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

#### **Audit response to risks identified**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

**Darwin Alternative Investment Management Limited**

**Independent auditor's report (continued)**

**To the members of Darwin Alternative Investment Management Limited**

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There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Lucy Brennan (Senior Statutory Auditor)**  
**For and on behalf of Saffery Champness LLP**

13 December 2022

**Chartered Accountants**  
**Statutory Auditors**

71 Queen Victoria Street  
London  
EC4V 4BE

**Darwin Alternative Investment Management Limited**

**Statement of comprehensive income  
For the year ended 30 September 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	5,016,445	4,266,672
Administrative expenses		(4,792,300)	(4,048,710)
<b>Profit before taxation</b>		224,145	217,962
Tax on profit	<b>8</b>	(57,064)	(45,784)
<b>Profit for the financial year</b>		167,081	172,178

The income statement has been prepared on the basis that all operations are continuing operations.

**Darwin Alternative Investment Management Limited**

**Statement of financial position**

**As at 30 September 2022**

			<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>				
Intangible assets	<b>9</b>	-		16,625
Tangible assets	<b>10</b>	45,390		2,375
			<u>45,390</u>	<u>19,000</u>
<b>Current assets</b>				
Debtors	<b>11</b>	675,255	887,419	
Cash at bank and in hand		856,924	503,211	
		<u>1,532,179</u>	<u>1,390,630</u>	
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	<u>(919,722)</u>	<u>(918,864)</u>	
<b>Net current assets</b>			<u>612,457</u>	<u>471,766</u>
<b>Net assets</b>			<u><u>657,847</u></u>	<u><u>490,766</u></u>
<b>Capital and reserves</b>				
Called up share capital	<b>14</b>	47,500		47,500
Profit and loss reserves		610,347		443,266
<b>Total equity</b>			<u><u>657,847</u></u>	<u><u>490,766</u></u>

The financial statements were approved by the board of directors and authorised for issue on 13 December 2022 and are signed on its behalf by:

Christopher James Affleck Penney  
**Director**

**Company Registration No. 08100415**

**Darwin Alternative Investment Management Limited**

**Statement of changes in equity  
For the year ended 30 September 2022**

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 October 2020</b>	47,500	271,088	318,588
<b>Year ended 30 September 2021:</b>			
Profit and total comprehensive income for the year	-	172,178	172,178
	<u>47,500</u>	<u>443,266</u>	<u>490,766</u>
<b>Balance at 30 September 2021</b>	47,500	443,266	490,766
<b>Year ended 30 September 2022:</b>			
Profit and total comprehensive income for the year	-	167,081	167,081
	<u>47,500</u>	<u>610,347</u>	<u>657,847</u>
<b>Balance at 30 September 2022</b>	<u>47,500</u>	<u>610,347</u>	<u>657,847</u>

**Darwin Alternative Investment Management Limited**

**Statement of cash flows**

**For the year ended 30 September 2022**

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	19	427,597	364,795
Income taxes paid		(45,784)	(38,862)
<b>Net cash inflow from operating activities</b>		<u>381,813</u>	<u>325,933</u>
<b>Investing activities</b>			
Purchase of intangible assets		-	(17,500)
Proceeds on disposal of intangibles		16,188	-
Purchase of tangible fixed assets		(46,600)	(2,500)
Proceeds on disposal of tangible fixed assets		<u>2,312</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(28,100)</u>	<u>(20,000)</u>
<b>Net increase in cash and cash equivalents</b>		<u>353,713</u>	<u>305,933</u>
Cash and cash equivalents at beginning of year		<u>503,211</u>	<u>197,278</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>856,924</u></u>	<u><u>503,211</u></u>

## **Darwin Alternative Investment Management Limited**

### **Notes to the financial statements**

**For the year ended 30 September 2022**

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#### **1 Accounting policies**

##### **Company information**

Darwin Alternative Investment Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is Empire House, 175 Piccadilly, London, W1J 9EN.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

The company receives investment advisory fees in respect of the funds for which it is the Investment Adviser. These fees are recognised in the company's accounts in the month in which the liability to pay these fees arises on the part of the fund, which matches when the services are supplied and therefore the company's right to the income is met.

##### **1.4 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Intellectual property	10% straight line
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**1 Accounting policies (continued)**

**1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	10% straight line
Fixtures and fittings	Straight over remaining length of office lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.7 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies (continued)**

**1.8 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**1 Accounting policies (continued)**

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

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

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**Darwin Alternative Investment Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

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**1 Accounting policies (continued)**

**1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**Darwin Alternative Investment Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

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**1 Accounting policies (continued)**

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**2 Critical accounting judgements and key sources of estimation uncertainty**

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

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

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

***Amortisation and Depreciation***

The company charges amortisation and depreciation based on the expected useful life of the asset. Determining the useful life of the asset requires management to make an estimate.

**Darwin Alternative Investment Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

**3 Turnover and other revenue**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by class of business</b>		
Investment advisory fees	4,980,000	4,185,000
Expenses recharged	36,445	81,672
	<u>5,016,445</u>	<u>4,266,672</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by geographical market</b>		
Guernsey	<u>5,016,445</u>	<u>4,266,672</u>

**4 Operating profit**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,273	125
Amortisation of intangible assets	437	875
Operating lease charges	<u>80,716</u>	<u>84,437</u>

**5 Auditor's remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	<u>17,000</u>	<u>15,550</u>
<b>For other services</b>		
Taxation compliance services	<u>1,650</u>	<u>1,550</u>

**Darwin Alternative Investment Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

**6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

<b>2022</b>	<b>2021</b>
<b>Number</b>	<b>Number</b>
11	10
<b>=====</b>	<b>=====</b>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,994,518	1,448,708
Pension costs	203,667	171,000
	<b>=====</b>	<b>=====</b>
	2,198,185	1,619,708
	<b>=====</b>	<b>=====</b>

**7 Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	573,500	420,000
	<b>=====</b>	<b>=====</b>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	553,500	360,000
	<b>=====</b>	<b>=====</b>

**8 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	58,499	47,219
Adjustments in respect of prior periods	(1,435)	(1,435)
	<b>=====</b>	<b>=====</b>
Total current tax	57,064	45,784
	<b>=====</b>	<b>=====</b>

**Darwin Alternative Investment Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	224,145	217,962
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	42,588	41,413
Tax effect of expenses that are not deductible in determining taxable profit	24,874	5,806
Adjustments in respect of prior years	(1,435)	(1,435)
Permanent capital allowances in excess of depreciation	(3,750)	-
Other non-reversing timing differences	(5,213)	-
	<u>          </u>	<u>          </u>
Taxation charge for the year	57,064	45,784
	<u>          </u>	<u>          </u>

**9 Intangible fixed assets**

	<b>Intellectual property £</b>
<b>Cost</b>	
At 1 October 2021	17,500
Disposals	(17,500)
	<u>          </u>
At 30 September 2022	-
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 October 2021	875
Amortisation charged for the year	437
Disposals	(1,312)
	<u>          </u>
At 30 September 2022	-
	<u>          </u>
<b>Carrying amount</b>	
At 30 September 2022	-
	<u>          </u>
At 30 September 2021	16,625
	<u>          </u>



**Darwin Alternative Investment Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

**10 Tangible fixed assets**

	<b>Plant and equipment</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2021	2,500	-	2,500
Additions	-	46,600	46,600
Disposals	(2,500)	-	(2,500)
	<hr/>	<hr/>	<hr/>
At 30 September 2022	-	46,600	46,600
	<hr/>	<hr/>	<hr/>
At 1 October 2021	125	-	125
Depreciation charged in the year	63	1,210	1,273
Eliminated in respect of disposals	(188)	-	(188)
	<hr/>	<hr/>	<hr/>
At 30 September 2022	-	1,210	1,210
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 30 September 2022	-	45,390	45,390
	<hr/>	<hr/>	<hr/>
At 30 September 2021	2,375	-	2,375
	<hr/>	<hr/>	<hr/>

**11 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	438,165	461,572
Other debtors	138,824	159,016
Prepayments and accrued income	98,266	266,831
	<hr/>	<hr/>
	675,255	887,419
	<hr/>	<hr/>

**12 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	195,380	391,491
Corporation tax	58,499	47,219
Other taxation and social security	68,806	52,206
Accruals and deferred income	597,037	427,948
	<hr/>	<hr/>
	919,722	918,864
	<hr/>	<hr/>

**Darwin Alternative Investment Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

**13 Retirement benefit schemes**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	203,667	171,000

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**14 Share capital**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
47,500 Ordinary shares of £1 each	47,500	47,500
	<u>47,500</u>	<u>47,500</u>

**15 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	102,225	82,937
Between two and five years	408,900	-
In over five years	127,781	-
	<u>638,906</u>	<u>82,937</u>

## **Darwin Alternative Investment Management Limited**

### **Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

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#### **16 Related party transactions**

During the year, the company supplied services to the value of £787,722 (2021: £787,591 ) to Darwin Alternative Investment Management (Guernsey) Limited, of which A. Esse and J. Penney are directors. At the year end, £72,722 (2021: £72,591 ) of this amount remained outstanding.

During the year, the company supplied services to the value of £4,203,861 (2021: £3,408,795 ) to Darwin Property Investment Management (Guernsey) Limited, of which A. Esse and J. Penney are directors. At the year end, £353,861(2021: £353,795 ) of this amount remained outstanding.

During the year, the company recharged costs to the value of £12,000 (2021: £53,900) to Darwin Bereavement Properties (Guernsey) Limited, of which A. Esse and J. Penney are directors. At the year end, £nil (2021: £23,800) remained outstanding.

During the year, the company purchased services to the value of £594,775 (2021: £439,929) from Picton Asset Management Limited, of which A. Esse is a director. At the year end, £45,332 (2021: £43,740) of this amount remained outstanding.

During the year, the company sold their plant & machinery and intangible assets for their net book value of £22,200 to Darwin (Golf) Limited, of which A. Esse and J. Penney are directors. There was no balance outstanding from this entity at year end.

#### **17 Ultimate controlling party**

In the opinion of the directors, the company was not under the control of any one person or entity during the year.

**Darwin Alternative Investment Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 September 2022**

**18 Directors' transactions**

Dividends totalling £0 (2021 - £0) were paid in the year in respect of shares held by the company's directors.

**19 Cash generated from operations**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	167,081	172,178
<b>Adjustments for:</b>		
Taxation charged	57,064	45,784
Amortisation and impairment of intangible assets	437	875
Depreciation and impairment of tangible fixed assets	1,273	125
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	212,164	(303,822)
(Decrease)/increase in creditors	(10,422)	449,655
<b>Cash generated from operations</b>	<b>427,597</b>	<b>364,795</b>

**20 Analysis of changes in net funds**

	<b>1 October 2021</b>	<b>Cash flows</b>	<b>30 September 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	503,211	353,713	856,924

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.