

COMPANY REGISTRATION NUMBER: 08334725

**MT CAPITAL MANAGEMENT LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2019**



# **MT CAPITAL MANAGEMENT LIMITED**

## **FINANCIAL STATEMENTS**

**Year ended 31 December 2019**

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**MT CAPITAL MANAGEMENT LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

S W Cooke  
L V Russell-Young  
D L Chatterton  
K A Jordan  
T B Bradley

**Company secretary**

Yealand Administration Limited

**Registered office**

Stuart House  
St John's Street  
Peterborough  
PE1 5DD

**Auditor**

Shipleys LLP  
Chartered accountants & statutory auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

# **MT CAPITAL MANAGEMENT LIMITED**

## **STRATEGIC REPORT**

**Year ended 31 December 2019**

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### **INTRODUCTION**

The directors present their strategic report for MT Capital Management Limited ("the company") for the year ended 31 December 2019.

### **PRINCIPAL ACTIVITY**

The principal activity of the company during the year was the management of the sub-fund, MT Total Return Fund, of MT General Funds ICVC ("MTGF"), a non-UCITS retail scheme under the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

### **BUSINESS REVIEW**

During the year the company provided services to MTGF in accordance with its agreement with MTGF. The nature of those services require the company to be registered with the Financial Conduct Authority ("FCA") and to bear the resulting increased administration costs associated with maintaining that registration.

The company made a £428,534 (2018 - £367,480) operating profit for the year.

The company's balance sheet retains significant cash reserves in relation to its overhead commitments. This is mainly due to the FCA's solvency requirements that the company must meet in order to maintain its FCA registration. The company is committed to meeting all of its regulatory requirements in the future.

The future of the company's activities remains linked to the provision of services to MTGF and the directors have no plans to seek contractual relationships with other parties. The company is therefore dependent upon this relationship for all of its future activities.

### **FINANCIAL KEY PERFORMANCE INDICATORS ("KPIS")**

The company's KPIs are:

- Operating profit percentage which has improved to 14.3% from 12.1% last year.
- Current ratio which stands at 2.1 this year compared to 2.3 last year.

# MT CAPITAL MANAGEMENT LIMITED

## STRATEGIC REPORT *(continued)*

Year ended 31 December 2019

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### PRINCIPAL RISKS AND UNCERTAINTIES

The directors are of the opinion that the company is not subject to any significant market risk, foreign exchange risk, credit risk or interest rate risk. Capital and liquidity risk is managed with the objective of maintaining the company's FCA solvency requirements which it must meet in order to maintain its FCA registration.

#### Financial risk management objectives

The company regards the monitoring and controlling of risks as a fundamental part of its management process and therefore constantly monitors risk, within strictly defined guidelines. The evaluation of risks and the setting of policies is approved by the company's board of directors ("the board") and carried out by the relevant risk management committee under authority delegated by the board.

The principal risks and uncertainties facing the company and the strategy for managing these risks are:

(a) *Capital risk management:* The Company's primary objective is to ensure that it has capital which is permanent and which is able to absorb any losses arising from an extreme event. The company's capital is made up of the following;

- Share capital
- Share premium account
- Profit and loss account

As part of the company's permissions with the FCA it is bound by the capital adequacy rules for a manager of alternative investment funds subject to prudential sourcebook for Collective Portfolio Management Firms having an own funds requirement of €125,000, plus 0.02% of funds under management in excess of €250m, plus any excess under the firm's professional indemnity policy.

(b) *Liquidity risk:* Cash is closely monitored on a regular basis to ensure that all payment obligations are met in a timely manner. The board meets regularly to review cash flow projections and future capital requirements.

(c) *Covid-19:* At the time of publishing these accounts the world is in the grips of the Covid-19 pandemic. The board has considered the effects this could have on the continued operation of the company.

- The majority of the firm's expenses are tied to income by virtue of both being linked to the net asset value (NAV) of the MT Total Return Fund (the Fund). As the NAV of the Fund fluctuates, so does the company's income and expenses. Approximately 75% of costs are linked to revenue.
- As a regulated entity, the company must retain a capital surplus. The capital surplus required by the regulation is £212,000. The company's current surplus stands in excess of £570,000.
- The company's shareholders funds are in excess of £1.1m.

Stockmarkets have fallen significantly in reaction to the Covid-19 pandemic. The company has tested the effect these stressed conditions have upon its financial position. The company is satisfied the factors outlined above leave it with a sufficient capital buffer to withstand a prolonged period of stockmarket weakness. Despite the bulk of the company's expenses falling as a result of weak stockmarkets, there remains scope for further cost reduction if necessary.

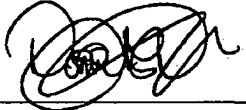
# MT CAPITAL MANAGEMENT LIMITED

## STRATEGIC REPORT *(continued)*

Year ended 31 December 2019

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This report was approved by the board of directors on 19 March 2020 and signed on behalf of the board by:



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Yealand Administration Limited  
Company Secretary

# **MT CAPITAL MANAGEMENT LIMITED**

## **DIRECTORS' REPORT**

**Year ended 31 December 2019**

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The directors present their report and the financial statements of the company for the year ended 31 December 2019.

### **DIRECTORS**

The directors who served the company during the year were as follows:

S W Cooke  
L V Russell-Young  
D L Chatterton  
K A Jordan  
T B Bradley

(Appointed 1 January 2019)

### **DIVIDENDS**

The profit for the year, after taxation, amounted to £351,300 (2018 - £299,795).

During the year dividends of £200,000 (2018 - Nil) were declared and paid.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors' assessment of the principal risks and uncertainties is set out in the Strategic Report.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the strategic report, directors' 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

# MT CAPITAL MANAGEMENT LIMITED

## DIRECTORS' REPORT *(continued)*

Year ended 31 December 2019

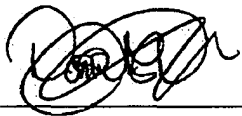
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### AUDITOR

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 19 March 2020 and signed on behalf of the board by:



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Yealand Administration Limited  
Company Secretary



**MT CAPITAL MANAGEMENT LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MT CAPITAL**  
**MANAGEMENT LIMITED**

**Year ended 31 December 2019**

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**OPINION**

We have audited the financial statements of MT Capital Management Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows 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 FRS 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 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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**

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 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.

# **MT CAPITAL MANAGEMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MT CAPITAL MANAGEMENT LIMITED *(continued)***

**Year ended 31 December 2019**

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### **OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# **MT CAPITAL MANAGEMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MT CAPITAL MANAGEMENT LIMITED *(continued)***

**Year ended 31 December 2019**

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### **RESPONSIBILITIES OF DIRECTORS**

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

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

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# MT CAPITAL MANAGEMENT LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MT CAPITAL MANAGEMENT LIMITED *(continued)*

Year ended 31 December 2019

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### USE OF OUR REPORT

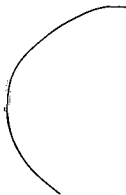
This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other 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.



Robert Wood (Senior Statutory Auditor)

For and on behalf of  
Shipleys LLP  
Chartered accountants & statutory auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

20 March 2020



**MT CAPITAL MANAGEMENT LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
Year ended 31 December 2019

	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	2,986,635	3,038,197
Direct costs		(2,233,209)	(2,316,701)
<b>Gross profit</b>		<u>753,426</u>	<u>721,496</u>
Administrative expenses		(324,892)	(354,016)
<b>Operating profit</b>		<u>428,534</u>	<u>367,480</u>
Other interest receivable and similar income	<b>7</b>	<u>5,170</u>	<u>2,631</u>
<b>Profit before taxation</b>		<u>433,704</u>	<u>370,111</u>
Tax on profit	<b>8</b>	(82,404)	(70,316)
<b>Profit for the financial year and total comprehensive income</b>		<u><u>351,300</u></u>	<u><u>299,795</u></u>

All the activities of the company are from continuing operations.

The notes on pages 15 to 21 form part of these financial statements.

# MT CAPITAL MANAGEMENT LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2019

	Note	2019 £	2018 £
<b>Current assets</b>			
Debtors	10	11,019	13,161
Cash at bank and in hand		2,109,698	1,716,338
		<u>2,120,717</u>	<u>1,729,499</u>
<b>Creditors: amounts falling due within one year</b>	11	(987,695)	(747,777)
<b>Net current assets</b>		<u>1,133,022</u>	<u>981,722</u>
<b>Total assets less current liabilities</b>		<u>1,133,022</u>	<u>981,722</u>
<b>Net assets</b>		<u>1,133,022</u>	<u>981,722</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,001	1,001
Share premium account	14	174,000	174,000
Profit and loss account	14	958,021	806,721
<b>Shareholders funds</b>		<u>1,133,022</u>	<u>981,722</u>

These financial statements were approved by the board of directors and authorised for issue on 19 March 2020, and are signed on behalf of the board by:



S W Cooke  
Director

Company registration number: 08334725

The notes on pages 15 to 21 form part of these financial statements.

# MT CAPITAL MANAGEMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 January 2018</b>	1,001	174,000	506,926	681,927
Profit for the year	—	—	299,795	299,795
<b>Total comprehensive income for the year</b>	—	—	299,795	299,795
<b>At 31 December 2018</b>	1,001	174,000	806,721	981,722
Profit for the year	—	—	351,300	351,300
<b>Total comprehensive income for the year</b>	—	—	351,300	351,300
Dividends paid and payable	11	—	(200,000)	(200,000)
<b>Total investments by and distributions to owners</b>	—	—	(200,000)	(200,000)
<b>At 31 December 2019</b>	<u>1,001</u>	<u>174,000</u>	<u>958,021</u>	<u>1,133,022</u>

The notes on pages 15 to 21 form part of these financial statements.

# MT CAPITAL MANAGEMENT LIMITED

## STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	351,300	299,795
<i>Adjustments for:</i>		
Other interest receivable and similar income	(5,170)	(2,631)
Tax on profit	82,404	70,316
Accrued (income)/expenses	(5,472)	11,945
<i>Changes in:</i>		
Trade and other debtors	2,142	(4,568)
Trade and other creditors	233,294	23,473
Cash generated from operations	658,498	398,330
Interest received	5,170	2,631
Tax paid	(70,308)	(83,149)
Net cash from operating activities	<u>593,360</u>	<u>317,812</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(200,000)	—
Net cash used in financing activities	<u>(200,000)</u>	<u>—</u>
<b>Net increase in cash and cash equivalents</b>	393,360	317,812
<b>Cash and cash equivalents at beginning of year</b>	1,716,338	1,398,526
<b>Cash and cash equivalents at end of year</b>	<u>2,109,698</u>	<u>1,716,338</u>

The notes on pages 15 to 21 form part of these financial statements.



# **MT CAPITAL MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2019**

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### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Stuart House, St John's Street, Peterborough, PE1 5DD.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS102") 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 management to exercise judgment in applying the company's accounting policies (see below).

The company's functional and presentational currency is GBP.

The following principal accounting policies have been applied:

#### **Judgements and key sources of estimation uncertainty**

In preparing the financial statements no critical judgments have been made in arriving at the amounts recognised in the financial statements and there are no key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities.

#### **Turnover**

Turnover is derived from management fees. Fees are charged to MT General Funds ICVC based on the value of funds under management.

#### **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

**MT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**Year ended 31 December 2019**

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**3. Accounting policies** *(continued)*

**Taxation**

Tax is recognised in the 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**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.

**MT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 December 2019**

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**3. Accounting policies** *(continued)*

**Interest income**

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

**Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, 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 debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company 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.

**4. Turnover**

Turnover arises from:

	2019	2018
	£	£
Management fees	2,986,635	3,038,197

**MT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**Year ended 31 December 2019**

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**4. Turnover** *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**5. Auditor's remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the financial statements	<u>5,500</u>	<u>11,098</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>6,750</u>	<u>–</u>

**6. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Directors	<u>5</u>	<u>5</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	128,829	112,055
Social security costs	<u>11,896</u>	<u>8,115</u>
	<u>140,725</u>	<u>120,170</u>

The company has no employees other than its directors, who constitute the company's key management personnel. Administrative and company secretarial services were provided by Yealand Administration Limited.

**MT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 December 2019**

**7. Other interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest on bank deposits	<u>5,170</u>	<u>2,631</u>

**8. Tax on profit**

**Major components of tax expense**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	<u>82,404</u>	<u>70,316</u>
<b>Tax on profit</b>	<u><u>82,404</u></u>	<u><u>70,316</u></u>

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is the same as (2018: the same as) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>433,704</u>	<u>370,111</u>
Profit on ordinary activities by rate of tax	<u><u>82,404</u></u>	<u><u>70,316</u></u>

**9. Dividends**

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Dividends on equity shares	<u>200,000</u>	<u>—</u>

**10. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	<u>11,019</u>	<u>6,598</u>
Other debtors	<u>—</u>	<u>6,563</u>
	<u><u>11,019</u></u>	<u><u>13,161</u></u>

**MT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 December 2019**

**11. Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	840,087	611,154
Accruals and deferred income	53,563	59,035
Corporation tax	82,449	70,353
Social security and other taxes	11,596	7,235
	<u>987,695</u>	<u>747,777</u>

**12. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets measured at fair value through profit or loss</b>		
Financial assets measured at fair value through profit or loss	<u>2,109,698</u>	<u>1,716,338</u>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u>—</u>	<u>6,563</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>(911,400)</u>	<u>(670,189)</u>

**13. Called up share capital**

**Issued, called up and fully paid**

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	1,001	1,001	1,001	1,001

**14. Reserves**

Share premium account - The Share premium account represents the premium arising on the issue of shares net of issue costs.

Profit and loss account - The Profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

# MT CAPITAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2019

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### 15. Related party transactions

During the year, the company charged MT General Funds ICVC ("MTGF"), management fees of £2,986,635 (2018 - £3,038,197). MTGF is a related entity by virtue of the company being the Authorised Corporate Director of MTGF.

Ovenden Nominees Limited is a related party by virtue of being the parent undertaking. The company paid dividends of £200,000 (2018 - £Nil) to Ovenden Nominees Limited.

Yealand Administration Limited is a related party by virtue of L V Russell-Young being a common director to both MT Capital Management Limited and Yealand Administration Limited. During the year, the company paid administration fees of £377,553 (2018 - £378,010) to Yealand Administration Limited.

During the year, the company was charged £8,535 (2018 - £22,755) by Wey Compliance Consulting Limited, a company under the control of K A Jordan, a director, in respect of the provision of director's services.

In the opinion of the directors, the ultimate controlling party, is the trustees of the Macmillan Grandchildren No.3 settlement, a trust established in the United Kingdom.