

Company Registration No. 08600041 (England and Wales)

**MOLE VALLEY ASSET MANAGEMENT LIMITED**  
**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**



# **MOLE VALLEY ASSET MANAGEMENT LIMITED**

## **COMPANY INFORMATION**

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**Directors**

A J Holder  
C J Harper  
D J Sanford  
R Rigby  
M Brett

**Company number**

08600041

**Registered office**

275 High Street  
Dorking  
Surrey  
RH4 1RY

**Auditor**

Azets Audit Services  
Woolsack Way  
Godalming  
Surrey  
United Kingdom  
GU7 1LQ

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# **MOLE VALLEY ASSET MANAGEMENT LIMITED**

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# **MOLE VALLEY ASSET MANAGEMENT LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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The directors present the strategic report for the year ended 31 July 2022.

#### **REVIEW OF BUSINESS**

Mole Valley Asset Management ('MVAM') offers financial advice and discretionary investment services to private clients, professional intermediaries, charities, trusts and pension funds. MVAM was founded in 2013 by Craig Harper.

On 31 July 2022, MVAM managed portfolios with a total value of £82.1m (2021 - £88.9m), the decrease is due to weaker performance of higher risk clients who are more exposed to smaller companies which have fared poorly in the current downturn. Equity markets were broadly flat to slightly up over the period. MVAM looks to attract new clients by referral and through its relationships with Independent Financial Advisors (IFAs), Accountants and Solicitors. The Directors intend to continue with this strategy and along with considering further opportunities to acquire the asset bases of other managers to supplement organic growth the group is looking to grow its financial advice arm.

#### **RESULTS AND PERFORMANCE**

Revenue decreased slightly this year to £1,209,099 (2021 - £1,228,266). This was in part due to the fall in FUM in the second half of the financial year as noted above. The company did achieve performance fees for the period although slightly below the levels achieved in financial year 2021.

Administration costs increased during the year as we focused on growth, as agreed by the board, and required new staff to run the financial advice side of the business to increase and maintain the high level of client service. This led to the group reporting an operating loss for the year of £2,230 (2021 - £225,572 profit).

The group's balance sheet is robust and well within the liquidity limits required for its operations.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

With Covid receding the principal risks have stemmed from the invasion of Ukraine by Russia. This has created huge supply chain problems notably in energy. The higher cost of energy has exacerbated the well documented cost of living crisis which is pushing down global growth. Many countries are likely to enter recessions. All this at a time when Central Banks are putting up interest rates to head off inflation. If we add to that the huge debts around the world that have been built up by the Global Financial Crisis, then we are looking at a perfect storm for markets. While we have avoided the collapse of the bond markets our exposure to smaller companies has not helped. All this has reduced FUM to the end of the year and is likely to reduce performance fees to zero in 2022. With a high watermark in operation, we would not expect to see meaningful performance fees until 2024.

The Directors believe that markets may be subdued for a period of time although there are areas of value emerging. It is likely that central banks will not be able to go hard enough on inflation without causing some sort of financial crisis. Therefore, we expect some level of inflation will have to be accepted as the trade-off for leaving us looking to invest in real assets as the world looks to stabilise the headwinds we have mentioned above.

# **MOLE VALLEY ASSET MANAGEMENT LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

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### **PRINCIPAL RISKS AND UNCERTAINTIES - CONT'D**

Management considers the principal risks and uncertainties to be as follows:

#### **Economy**

We see that the consumer is under significant pressure at the moment and with interest rates rising is for the first time in over a decade more likely to pay down debt than invest money into pensions and ISAs. This is likely to provide a headwind for both client acquisition and client retention.

#### **Markets**

A significant and prolonged fall in the value of markets for listed securities could adversely affect the group's income. The directors actively monitor these risks on an ongoing basis for individual clients and for total assets under management using portfolio specific risk measurement tools and through regular investment strategy meetings. The portfolio managers take appropriate action as soon as such risks are perceived. Current levels are manageable, and we have increased costs to grow the business. These costs can be reduced if necessary.

#### **Competition**

MVAM operates in a competitive market where there are numerous private wealth management and discretionary investment offerings, as well as low cost online investment platform propositions. There is a risk that clients could be lost to alternative providers if clients are dissatisfied with investment performance, or the level of fees charged. The directors believe that MVAM offers a cost effective and high-quality service that engenders long term client relationships, reflected in the small number of client departures to date.

#### **Regulation**

MVAM operates in an increasingly regulated environment. The group is FCA registered and endeavours to meet all current compliance obligations as well as anticipate the future direction of regulatory expectations. The new Consumer Duty regulations will help MVAM create an even more robust business than it has at present but once plans are implemented there may be implications for future costs and revenues that are currently unforeseen.

#### **Client monies**

During the year MVAM changed CREST sponsor from AJ Bell to Third Platform Services. This led to MVAM migrating their back-office system to TPS in November 2021. There is a credit risk of holding cash in respect of clients with TPS and their banking providers, Bank of Scotland, although the client risk is covered by the Financial Services Compensation Scheme. Client cash is held in a segregated account with financial institutions which are investment graded.

#### **Key performance indicators**

##### **Management Fees**

Income from management fees decreased compared to the prior year, reflecting the market performance described earlier.

##### **Investment Performance and Performance Fees**

MVAM recognised £218k in performance fees (2021: £247k) during the year to July 2022, representing investment management performance in the calendar year to December 2021. Given current market conditions and the weaker performance of more adventurous clients we expect performance fees will be zero in 2022.

#### **FUTURE DEVELOPMENTS**

A Financial Advice arm of the business is being developed to increase the company's ability to give broader financial advice with the acquisition of Leabourne Financial Advice Ltd.

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## **MOLE VALLEY ASSET MANAGEMENT LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

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**Statement by the directors relating to their statutory duties under section 172(1) of the Companies Act 2006**

The directors, in line with their duties under s172 of the companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the group, and in doing so have regard, amongst other matters, to the:

- Interests of the group's employees
- The continued desirability of the group to maintain its reputation for high standards of business conduct.
- The consequences of any decision in the long term
- A need to foster the group's business relationships with suppliers, customers and others
- Impact of the group's operations on the community and the environment

The directors regard the above as key to their decision-making process. The group's business strategy is focused on achieving success for the group in the mid to long-term however, the board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. It also ensures these core values are communicated to the group's employees and embedded in the group's policies and procedures.

The Board recognises that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate a sustainable business.

The Directors are supported in the discharge of their duties by:

- Regular training in addition to continuing professional development (CPD) to further their understanding of their duties and obligations under applicable law and regulation.
- Processes which ensure the provision of timely management information and escalation through reporting lines to the Board from the group's business areas, its risk and control functions and support teams.
- Agenda planning for Board meetings to provide sufficient time for the consideration and discussion of key matters.

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Stakeholders	Engagement
Employees	<p>Whilst we operate with a relatively small workforce, our employees are key to the continued success of our business. In addition to aiming to be a responsible employer in our approach to balanced pay and benefits across both male and female staff.</p> <p>We encourage an inclusive culture within the organisation and invite different perspectives from our employees and value any new ideas for growth. In addition, we operate a rigorous appraisal programme which encourages employee feedback and facilitates the opportunity for both employees and managers to set performance goals on an annual basis.</p> <p>Our aim is to nurture a feeling of wellbeing and encourage our employees. We work hard to ensure our employees feel recognised for their hard work.</p>
Clients	<p>Our clients are at the centre of our business.</p> <p>Our Portfolio Managers build lasting relationships with current and potential clients to understand their objectives and requirements.</p> <p>We are in regular contact with clients with monthly newsletters and quarterly updates on the portfolios. Our clients have access to their own individual portfolios through our online portal.</p> <p>We understand the importance of building long-term relationships and have shown that we have an excellent track record in this regard.</p>
Suppliers	<p>As a business we operate in Dorking, Hertford, and York. In line with our group ethos of working with the local community we use a wide range of suppliers across both regions. We remain committed to being fair and transparent in our dealings with all of our suppliers, however, the Board encourages the engagement of small business within the local community.</p> <p>The group has systems and processes in place to ensure all suppliers are paid in a timely manner and in accordance with regulatory requirements periodic due diligence is carried out on all major or business critical suppliers.</p>
Community & Environment	<p>As a community-based asset manager the Board's approach to social responsibility, diversity &amp; the community is of high importance.</p> <p>Diversity and Inclusion is a key pillar for MVAM Ltd. The Board recognises the fact that this is a small group and individual jobs tend to be at different levels, even with this the board has ensured that there is no "pay gap" between its male and female employees where applicable.</p> <p>The Board continues to commit and broaden the group's work and associations with local charitable organisations, in particular involving Dorking Minds, Dorking RUFC and Dorking Netball Club.</p>
Shareholders	<p>The Board also seeks to behave in a responsible manner towards our shareholders. The Board communicates information relevant to its shareholders, such as its financial reporting.</p>

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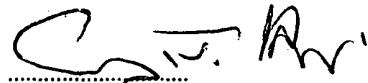
**MOLE VALLEY ASSET MANAGEMENT LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

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On behalf of the board



C J Harper

Director

Date: 12/11/22

# **MOLE VALLEY ASSET MANAGEMENT LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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The directors present their annual report and financial statements for the year ended 31 July 2022.

#### **Principal activities**

The principal activity of the group continues to be that of fund management.

#### **Directors**

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

A J Holder  
C J Harper  
D J Sanford  
R Rigby  
M Brett

#### **Results and dividends**

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

#### **Financial instruments**

The group's financial instruments comprise bank balances, trade and other payables, and trade and other receivables. The purpose of these instruments is to finance the group's operating activities.

Due to the nature of the financial instruments used by the group there is no significant exposure to price and liquidity risk.

#### **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 group and company, 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 and then apply them consistently;
- make judgements 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 auditor of the company 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 auditor of the company is aware of that information.

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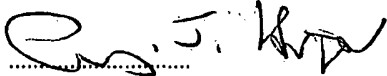
**MOLE VALLEY ASSET MANAGEMENT LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

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On behalf of the board



C J Harper  
Director

Date: 18/11/22

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MOLE VALLEY ASSET MANAGEMENT LIMITED

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#### Opinion

We have audited the financial statements of Mole Valley Asset Management Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group 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 group's and the parent company's affairs as at 31 July 2022 and of the group's loss 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 group and parent 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 group's and parent 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.

#### 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 contained within the annual report. 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 our 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.

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## **MOLE VALLEY ASSET MANAGEMENT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF MOLE VALLEY ASSET MANAGEMENT LIMITED**

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##### **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 their 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 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.

##### **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 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 parent 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.

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.

# **MOLE VALLEY ASSET MANAGEMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MOLE VALLEY ASSET MANAGEMENT LIMITED**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

## **MOLE VALLEY ASSET MANAGEMENT LIMITED**

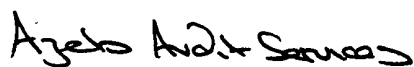
### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF MOLE VALLEY ASSET MANAGEMENT LIMITED**

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##### **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.



**James Leigh (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

Date: 22 November 2022

**Chartered Accountants**  
**Statutory Auditor**

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
United Kingdom  
GU7 1LQ

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2021 £
Turnover	3	1,209,099	1,228,266
Cost of sales		(227,121)	(222,807)
<b>Gross profit</b>		<b>981,978</b>	<b>1,005,459</b>
Administrative expenses		(984,208)	(779,887)
<b>Operating (loss)/profit</b>	<b>5</b>	<b>(2,230)</b>	<b>225,572</b>
Interest receivable and similar income	8	1,370	297
<b>(Loss)/profit before taxation</b>		<b>(860)</b>	<b>225,869</b>
Tax on (loss)/profit	9	(34,680)	(73,906)
<b>(Loss)/profit for the financial year</b>	<b>21</b>	<b>(35,540)</b>	<b>151,963</b>

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

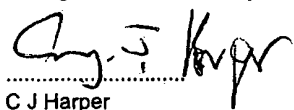
# MOLE VALLEY ASSET MANAGEMENT LIMITED

## GROUP BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	10	-		161,265	
Tangible assets	11	48,218		63,818	
Investments	12	10		10	
			48,228		225,093
<b>Current assets</b>					
Debtors	16	282,206		256,532	
Cash at bank and in hand		525,210		406,653	
		807,416		663,185	
<b>Creditors: amounts falling due within one year</b>	17	(158,938)		(156,032)	
<b>Net current assets</b>			648,478		507,153
<b>Net assets</b>			696,706		732,246
<b>Capital and reserves</b>					
Called up share capital	19	493,680		493,680	
Share premium account	20	104,284		104,284	
Profit and loss reserves	21	98,742		134,282	
<b>Total equity</b>			696,706		732,246

The financial statements were approved by the board of directors and authorised for issue on 18/11/22 and are signed on its behalf by:



C J Harper  
Director

# MOLE VALLEY ASSET MANAGEMENT LIMITED

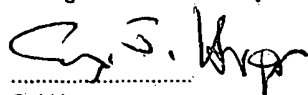
## COMPANY BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	10	-		161,265	
Tangible assets	11	48,218		63,818	
Investments	12	30,010		10	
			78,228		225,093
<b>Current assets</b>					
Debtors	16	282,206		256,532	
Cash at bank and in hand		525,210		406,653	
			807,416		663,185
<b>Creditors: amounts falling due within one year</b>	17	(188,938)		(156,032)	
<b>Net current assets</b>			618,478		507,153
<b>Total assets less current liabilities</b>			696,706		732,246
<b>Capital and reserves</b>					
Called up share capital	19	493,680		493,680	
Share premium account	20	104,284		104,284	
Profit and loss reserves	21	98,742		134,282	
<b>Total equity</b>			696,706		732,246

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £35,540 (2021 - £151,964 profit).

The financial statements were approved by the board of directors and authorised for issue on 18/11/22 and are signed on its behalf by:



C J Harper  
Director

Company Registration No. 08600041

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2022

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 August 2020	493,680	104,284	(17,681)	580,283
Year ended 31 July 2021:				
Profit and total comprehensive income for the year	-	-	151,963	151,963
Balance at 31 July 2021	493,680	104,284	134,282	732,246
Year ended 31 July 2022:				
Loss and total comprehensive income for the year	-	-	(35,540)	(35,540)
Balance at 31 July 2022	493,680	104,284	98,742	696,706

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	194,447		181,124	
Income taxes paid		(68,761)		(30,961)	
<b>Net cash inflow from operating activities</b>		<b>125,686</b>		<b>150,163</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(7,283)		(57,260)	
Proceeds on disposal of subsidiaries		-		(10)	
Purchase of subsidiary		(1,216)		-	
Interest received		1,370		297	
<b>Net cash used in investing activities</b>		<b>(7,129)</b>		<b>(56,973)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>118,557</b>		<b>93,190</b>	
Cash and cash equivalents at beginning of year		406,653		313,463	
<b>Cash and cash equivalents at end of year</b>		<b>525,210</b>		<b>406,653</b>	

# **MOLE VALLEY ASSET MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 JULY 2022**

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#### **1 Accounting policies**

##### **Company information**

Mole Valley Asset Management Ltd ("the company") is a private limited company incorporated in England and Wales. The registered office is 275 High Street, Dorking, Surrey, RH4 1RY.

The group consists of Mole Valley Asset Management Ltd and all of its significant subsidiaries.

##### **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 Basis of consolidation**

The consolidated financial statements incorporate those of Mole Valley Asset Management Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

Leabourne Financial Services Ltd has been included in the group financial statements using the purchase method of accounting. The dormant subsidiary Cotmandene Nominees Limited has not been included in the consolidation.

##### **1.3 Going concern**

The Directors have assessed the prospects of MVAM over a period of three years after the balance sheet date.

The Directors confirm that they have a reasonable expectation that MVAM will continue to operate and meet its liabilities, as they fall due, up to 31<sup>st</sup> July 2025. The Directors' assessment has been made with reference to MVAM's current position and strategy, the Board's appetite for risk and the financial forecasts. The forecast considers MVAM's profitability, cash flows and other key variables.

The Directors believe that MVAM is well placed to manage its business risks in the context of the current economic outlook. They therefore continue to adopt the going concern basis in preparing the Annual Report and Accounts.

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover represents net invoiced sales of services, excluding value added tax. Fees are recognised in accordance with investment management agreements at the following rates:

- **Management fees** - These fees are charged in arrears at a % of the portfolio value as specified in the agreement with the client. They are recognised in the period they relate to.

- **Dealing fees** - These fees are charged as a % of a deal on completion. Rates may on occasion may be higher if these charges do not meet deal costs charged by third parties. They are recognised as and when a transaction occurs.

- **Performance fees** - These are charged at a rate of 15% of the client's return over and above a 5% hurdle rate. It is the opinion of the directors that since the crystallisation of performance fees are outside the control of the company and due to the considerable uncertainty involved in estimating any such fees, these fees are only recognised on crystallisation, either on liquidation of a client portfolio during the period, or on calculation and invoicing at the end of the calendar year.

- **Financial advice fees** - Revenue from the provision of professional services is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business. Clients are invoiced a recurring retainer fee or for adhoc services.

#### 1.5 Client list

Intangible assets represent the amount paid for the acquisition of a client list from a competitor in November 2017. The amount capitalised consists of a mix of cash consideration, shares consideration and deferred consideration. It is amortised evenly to the statement of comprehensive income over its estimated useful life of five years.

The carrying value of intangible assets is reviewed for impairment at the end of each financial period if events or changes in circumstances indicate that the carrying value may not be recoverable.

After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

#### 1.6 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:

Short leasehold	Over the term of the lease
Plant and machinery	25% on reducing balance
Fixtures and fittings	25% on reducing balance

#### 1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

#### 1.9 Cash and cash equivalents

Cash at bank and in hand 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.

#### 1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, 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.

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets 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.

#### **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 group 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 group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors 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 group's contractual obligations expire or are discharged or cancelled.

## **MOLE VALLEY ASSET MANAGEMENT LIMITED**

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

**FOR THE YEAR ENDED 31 JULY 2022**

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#### **1 Accounting policies**

**(Continued)**

##### **1.11 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 profit and loss account 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 group'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.

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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is 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.

##### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

##### **1.13 Retirement benefits**

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

##### **1.14 Leases**

Rentals payable under operating leases, are charged to the income statement on a straight line basis over the term of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the length of the lease.

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

The directors do not believe there are any key judgements or estimations used in preparing these financial statements other than determining whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Financial services supplied in the UK	1,209,099	1,228,266

	2022 £	2021 £
<b>Other revenue</b>		
Interest income	1,370	297

### 4 Auditor's remuneration

	2022 £	2021 £
<b>Fees payable to the company's auditor and associates:</b>		
<b>For audit services</b>		
Audit of the financial statements of the group and company	15,100	12,500
<b>For other services</b>		
All other non-audit services	8,148	6,460

### 5 Operating (loss)/profit

	2022 £	2021 £
<b>Operating (loss)/profit for the year is stated after charging:</b>		
Depreciation of owned tangible fixed assets	22,883	11,416
(Profit)/loss on disposal of tangible fixed assets	-	882
Amortisation of intangible assets	161,265	161,263
Operating lease charges	48,839	31,366

**MOLE VALLEY ASSET MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

**6 Employees**

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

	<b>Group 2022 Number</b>	<b>2021 Number</b>	<b>Company 2022 Number</b>	<b>2021 Number</b>
Directors	5	3	5	3
Operations	6	6	6	6
<b>Total</b>	<b>11</b>	<b>9</b>	<b>11</b>	<b>9</b>

Their aggregate remuneration comprised:

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Wages and salaries	446,706	313,363	446,706	313,363
Social security costs	42,070	30,991	42,070	30,991
Pension costs	15,374	10,751	15,374	10,751
	<b>504,150</b>	<b>355,105</b>	<b>504,150</b>	<b>355,105</b>

**7 Directors' remuneration**

	<b>2022 £</b>	<b>2021 £</b>
Remuneration for qualifying services	<b>145,438</b>	<b>131,906</b>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

**8 Interest receivable and similar income**

	<b>2022 £</b>	<b>2021 £</b>
Interest income		
Other interest income	<b>1,370</b>	<b>297</b>

**9 Taxation**

	<b>2022 £</b>	<b>2021 £</b>
Current tax		
UK corporation tax on profits for the current period	<b>34,925</b>	<b>73,906</b>

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 9 Taxation (Continued)

	2022 £	2021 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(245)	-
<b>Total tax charge</b>	<b>34,680</b>	<b>73,906</b>

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

	2022 £	2021 £
(Loss)/profit before taxation	(860)	225,869
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(163)	42,915
Tax effect of expenses that are not deductible in determining taxable profit	4,200	266
Adjustments in respect of prior years	-	85
Permanent capital allowances in excess of depreciation	33,507	30,640
Deferred tax adjustments in respect of prior years	(245)	-
Other amounts	(2,619)	-
<b>Taxation charge</b>	<b>34,680</b>	<b>73,906</b>

### 10 Intangible fixed assets

Group	Client list £
<b>Cost</b>	
At 1 August 2021 and 31 July 2022	823,198
<b>Amortisation and impairment</b>	
At 1 August 2021	661,933
Amortisation charged for the year	161,265
<b>At 31 July 2022</b>	<b>823,198</b>
<b>Carrying amount</b>	
At 31 July 2022	-
At 31 July 2021	161,265

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 10 Intangible fixed assets (Continued)

Company	Client list £
<b>Cost</b>	
At 1 August 2021 and 31 July 2022	823,198
<b>Amortisation and impairment</b>	
At 1 August 2021	661,933
Amortisation charged for the year	161,265
At 31 July 2022	823,198
<b>Carrying amount</b>	
At 31 July 2022	-
At 31 July 2021	161,265

### 11 Tangible fixed assets

Group	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 August 2021	45,165	19,531	43,571	108,267
Additions	-	4,363	2,920	7,283
At 31 July 2022	45,165	23,894	46,491	115,550
<b>Depreciation and impairment</b>				
At 1 August 2021	5,018	7,474	31,957	44,449
Depreciation charged in the year	15,055	4,805	3,023	22,883
At 31 July 2022	20,073	12,279	34,980	67,332
<b>Carrying amount</b>				
At 31 July 2022	25,092	11,615	11,511	48,218
At 31 July 2021	40,147	12,057	11,614	63,818

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 11 Tangible fixed assets

(Continued)

Company	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 August 2021	45,165	19,531	43,571	108,267
Additions	-	4,363	2,920	7,283
At 31 July 2022	45,165	23,894	46,491	115,550
<b>Depreciation and impairment</b>				
At 1 August 2021	5,018	7,474	31,957	44,449
Depreciation charged in the year	15,055	4,805	3,023	22,883
At 31 July 2022	20,073	12,279	34,980	67,332
<b>Carrying amount</b>				
At 31 July 2022	25,092	11,615	11,511	48,218
At 31 July 2021	40,147	12,057	11,614	63,818

### 12 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	13	10	10	30,010	10

#### Movements in fixed asset investments

Group	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 August 2021 and 31 July 2022	10
<b>Carrying amount</b>	
At 31 July 2022	10
At 31 July 2021	10

## MOLE VALLEY ASSET MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

#### 12 Fixed asset investments (Continued)

Movements in fixed asset investments Company		Shares in subsidiaries £
<b>Cost or valuation</b>		
At 1 August 2021		10
Additions		45,000
At 31 July 2022		45,010
<b>Impairment</b>		
At 1 August 2021		-
Impairment losses		15,000
At 31 July 2022		15,000
<b>Carrying amount</b>		
At 31 July 2022		30,010
At 31 July 2021		10

#### 13 Subsidiaries

Details of the company's subsidiaries at 31 July 2022 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct
Cotmandene Nominees Limited	1	Dormant	Ordinary	100.00
Leabourne Financial Advice Ltd	1	Financial Advice	Ordinary	100.00

#### Registered Office address:

1 275 High Street, Dorking, Surrey, RH4 1RY

Cotmandene Nominees Limited was excluded from consolidation given it is dormant and insignificant to the group. It has net assets of £10.

Leabourne Financial Advice Ltd was purchased 31 December 2021. Its trade and net assets were transferred to Mole Valley Asset Management Ltd on 01 January 2022 and it subsequently became dormant. The company's reporting date is 31 December.

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 14 Client assets

Funds held on behalf of clients in designated client accounts were £nil (2021 - £4,881,951) at the year end. All client funds were moved across to TPS from 8th November 2021.

The majority of stocks and shares are held on behalf of clients by in a designated Crest account in the name of Cotmandene Nominees Limited administered by Third Platform Services Limited. The value of stocks and shares held on behalf of discretionary management clients was £82,134,847 (2021 - £84,149,509).

### 16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	14,023	-	14,023	-
Other debtors	9,883	9,303	9,883	9,303
Prepayments and accrued income	208,300	247,229	208,300	247,229
	<u>232,206</u>	<u>256,532</u>	<u>232,206</u>	<u>256,532</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
<b>Total debtors</b>	<u>282,206</u>	<u>256,532</u>	<u>282,206</u>	<u>256,532</u>

### 17 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Trade creditors	34,608	14,103	34,608	14,103
Amounts owed to group undertakings	-	-	30,000	-
Corporation tax payable	39,740	73,821	39,740	73,821
Other taxation and social security	38,547	18,432	38,547	18,432
Other creditors	6,258	248	6,258	248
Accruals and deferred income	39,785	49,428	39,785	49,428
	<u>158,938</u>	<u>156,032</u>	<u>188,938</u>	<u>156,032</u>

### 18 Retirement benefit schemes

	2022	2021
	£	£
<b>Defined contribution schemes</b>		
Charge to the income statement in respect of defined contribution schemes	<u>15,374</u>	<u>10,751</u>

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

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 18 Retirement benefit schemes

(Continued)

There was £4,268 (2021 - £3,102) outstanding contributions at year-end.

### 19 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of £1 each	493,680	493,680	493,680	493,680

The ordinary shares are irredeemable and have attached to them full rights in the company with regards to voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

### 20 Share premium account

	Group 2022 £	2021 £	Company 2022 £	2021 £
At the beginning and end of the year	104,284	104,284	104,284	104,284

### 21 Profit and loss reserves

	Group 2022 £	2021 £	Company 2022 £	2021 £
At the beginning of the year	134,282	(17,681)	134,282	(17,681)
Profit/(loss) for the year	(35,540)	151,963	(35,540)	151,963
At the end of the year	98,742	134,282	98,742	134,282

### 22 Operating lease commitments

#### Lessee

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	31,500	43,155	31,500	43,155
Between two and five years	33,056	65,864	33,056	65,864
	64,556	109,019	64,556	109,019

# MOLE VALLEY ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 23 Securities

From 1st August 2021 to 7th November 2021 a deed of charge in relation to the Crest Cap facility was provided by Barclays. From 8th November 2021, the charge was moved across to TPS which is now held by the Bank of Scotland.

### 24 Related party transactions

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

During the year, the group invoiced management fees amounting to £30,792 (2021 - £29,876) to the directors and their close family members for the management of personal funds. These transactions were undertaken on normal commercial terms at market value and £nil (2021 - £nil) was outstanding at year-end.

### 25 Financial conduct authority disclosure requirement

Information relating to the company's capital adequacy requirement (Pillar 3 risk disclosure statement) can be found on the company's website at [www.mvam.com](http://www.mvam.com).

### 26 Analysis of changes in net debt - group

	2022 £
<b>Opening net funds</b>	
Cash and cash equivalents	406,653
<b>Changes in net debt arising from:</b>	
Cash flows of the entity	118,557
	<u>525,210</u>
Closing net funds as analysed below	
	<u>525,210</u>
<b>Closing net funds</b>	
Cash and cash equivalents	<u>525,210</u>

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## **MOLE VALLEY ASSET MANAGEMENT LIMITED**

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

**FOR THE YEAR ENDED 31 JULY 2022**

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**27 Cash generated from group operations**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year after tax	(35,540)	151,963
<b>Adjustments for:</b>		
Taxation charged	34,680	73,906
Investment income	(1,370)	(297)
(Gain)/loss on disposal of tangible fixed assets	-	882
Amortisation and impairment of intangible assets	161,265	161,263
Depreciation and impairment of tangible fixed assets	22,883	11,416
Impairment	1,216	-
<b>Movements in working capital:</b>		
Increase in debtors	(25,674)	(32,670)
Increase in creditors	36,987	32,370
<b>Cash generated from operations</b>	<b>194,447</b>	<b>398,833</b>