

Company registration number 09690232 (England and Wales)

**DSAM PARTNERS (LONDON) LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# DSAM PARTNERS (LONDON) LTD

## COMPANY INFORMATION

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<b>Directors</b>	S Sales J E Diner
<b>Company number</b>	09690232
<b>Registered office</b>	1st Floor 14-15 Conduit Street London W1S 2XJ
<b>Auditor</b>	Gravita II LLP 30 City Road London EC1Y 2AB
<b>Business address</b>	1st Floor 14-15 Conduit Street London W1S 2XJ

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# **DSAM PARTNERS (LONDON) LTD**

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# **DSAM PARTNERS (LONDON) LTD**

## **STRATEGIC REPORT**

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

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The Directors present the strategic report of DSAM Partners (London) Limited (the "Company") for the year ended 31 December 2022. The comparative period presented in these financial statements is for the year ended 31 December 2021.

#### **Review of business and future developments**

The results for the year, and the Company's financial position at the end of the year, are shown on pages 8 to 9. During the year the Company continued to assist with the wind down of the DSAM + and Alpha + Funds following the restructure in 2021 and resignation of the previous CIO. Work also began on the re-launch of the Alpha + fund, now re-named the Devish Fund. This was launched on 1 March 2023 and is managed by the Company.

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

The principal risks and uncertainties affecting the Company will relate to the performance of the underlying funds it manages and the impact that poor performance has on the ability to attract and retain investors as well as launch new funds. The funds advised by the Company are subject to various market, counterparty, operational and regulatory risks that can ultimately have an impact on the Company's business. To the fullest extent possible the Company continues to monitor and improve controls and processes where required to provide the proper infrastructure for managing clients' assets.

Other risks and uncertainties relate to the ability to attract and retain key investment executives and to attract and retain the support team with the appropriate knowledge and experience. The company offers competitive remuneration packages and training is offered.

The Company is not exposed to any significant price, credit, liquidity or cash flow risk.

#### **Financial key performance indicators**

Given the nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. At 31 December 2022, the company had cash of \$921k and a strong net assets of \$11.8m. Future development of the business has been included in the fair review of the business section of the strategic report.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the 'Review of business and future developments' and 'Principal risks and uncertainties' sections of this Strategic Report. The Company is unlikely to generate significant cash flows from its fund management activities in the short term, but the directors are confident that the Company has sufficient resources to settle its liabilities in the ordinary course of business and have no reason to believe that material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern.

#### **Section 172 (1) Statement**

The Board of Directors, in line with their duties under S172 of the Companies Act 2006, act in way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard, amongst other matter, to the:

- A. Likely consequences of any decision in the long term
- B. Interests of the company's employees
- C. Need to foster the company's business relationships with suppliers, customers and others
- D. Impact of the company's operations on the community and the environment
- E. Desirability of the company maintaining a reputation for high standards of business conduct
- F. Need to act fairly as between members of the company.

The Directors' regard to these matters is embedded in their decision-making process, through the Company's business strategy, culture, governance framework, management information flows and stakeholder engagement processes.

## DSAM PARTNERS (LONDON) LTD

### STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Company's business strategy is focused on achieving success for the Company in the long-term. In setting this strategy, the Board takes into account the impact of relevant factors and stakeholder interests on the Company's performance.

The Board also identifies principal risks facing the business and sets risk management objectives. The Board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. The Board ensures these core values are communicated to the Company's employees and embedded in the Company's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

The Board recognizes 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.

#### **Stakeholders**

The Board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the Company.

**Employees** - the Directors are committed to treating their employees fairly and respectfully as the Group is only as good as the quality of the employees that it retains and develops. The Directors ensure that the Group is an equal opportunities employer and is fair to its employees in pay and benefits, health and safety at work and in the training and personal development offered. As important is developing a culture within the business so that our employees demonstrate the values, attitudes and culture of the Group when dealing with stakeholder relationships. Such culture is led by the Directors in their dealings with employees.

**Suppliers** – we work with a wide range of suppliers both in the UK and globally, relationships which have been fostered over a number of years. The Company has systems and processes in place to ensure suppliers are paid in a timely manner.

**Clients** – our investors are the central focus of the business and engaging with them is critical to the long-term success of the business. Maintaining strong governance oversight of the funds, delivering a good performance and maintaining safe custody over their assets is key.

**Regulator** – we have systems in place to ensure that the Company, at all times, acts in accordance with the FCA's principals and complies with all its regulatory requirements.

**Shareholder** – the Board seeks to behave in a responsible manner towards its shareholder. It communicates information relevant to its shareholder, such as its financial reporting.

On behalf of the board

S Sales

**Director**

26 April 2023

# **DSAM PARTNERS (LONDON) LTD**

## **DIRECTORS' REPORT**

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

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

#### **Principal activities**

The principal activity of the Company during the year was the provision of investment management services. The Company became authorised and regulated by the Financial Conduct Authority ("FCA") on 22 December 2015.

#### **Results and dividends**

The results for the year are set out on page 8.

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

#### **Directors**

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

S Sales  
J E Diner

#### **Political contributions**

During the year, the Company made no contributions to the Conservative party (year ended 31 December 2021: \$34,701).

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

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

#### **Statement of directors' responsibilities**

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

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

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

#### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

## **DSAM PARTNERS (LONDON) LTD**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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#### **Statement of disclosure to auditor**

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

On behalf of the board

S Sales  
**Director**

26 April 2023

# DSAM PARTNERS (LONDON) LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DSAM PARTNERS (LONDON) LTD

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#### Opinion

We have audited the financial statements of DSAM Partners (London) Ltd (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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.



# **DSAM PARTNERS (LONDON) LTD**

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

### **TO THE MEMBERS OF DSAM PARTNERS (LONDON) LTD**

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement as set out on page 3, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the fund management sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and in particular the requirements of the company in respect to compliance with FCA requirements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- understanding the business model as part of the control and business environment;
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

## **DSAM PARTNERS (LONDON) LTD**

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

#### **TO THE MEMBERS OF DSAM PARTNERS (LONDON) LTD**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment by for example forgery, or intentional misrepresentation or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Sarah Wilson FCA**  
**Senior Statutory Auditor**  
**For and on behalf of Gravita II LLP**

26 April 2023

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

30 City Road  
London  
EC1Y 2AB

## DSAM PARTNERS (LONDON) LTD

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
Turnover	3	-	7,879,614
Administrative expenses		(2,146,177)	(10,881,966)
<b>Operating loss</b>	4	(2,146,177)	(3,002,352)
Interest receivable and similar income	7	-	2
Interest payable and similar expenses	8	-	(44,723)
<b>Loss before taxation</b>		(2,146,177)	(3,047,073)
Tax on loss	9	(168,370)	446,246
<b>Loss for the financial year</b>		(2,314,547)	(2,600,827)
<b>Other comprehensive income</b>			
Adjustments to the fair value of financial assets		14,280	134,507
<b>Total comprehensive income for the year</b>		(2,300,267)	(2,466,320)

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

## DSAM PARTNERS (LONDON) LTD

### STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	\$	\$	\$	\$
<b>Fixed assets</b>					
Tangible assets	10		320,281		635,071
<b>Current assets</b>					
Debtors	11	10,987,474		44,955,329	
Cash at bank and in hand		921,352		1,865,843	
		<u>11,908,826</u>		<u>46,821,172</u>	
<b>Creditors: amounts falling due within one year</b>	12	(433,583)		(33,360,452)	
<b>Net current assets</b>			11,475,243		13,460,720
<b>Net assets</b>			<u>11,795,524</u>		<u>14,095,791</u>
<b>Capital and reserves</b>					
Called up share capital	15		2,147,596		2,147,596
Revaluation reserve	16		-		(14,280)
Profit and loss reserves	16		9,647,928		11,962,475
<b>Total equity</b>			<u>11,795,524</u>		<u>14,095,791</u>

The financial statements were approved by the board of directors and authorised for issue on 26 April 2023 and are signed on its behalf by:

S Sales  
Director

Company Registration No. 09690232

# DSAM PARTNERS (LONDON) LTD

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

	Share capital	Fair value reserve	Profit and loss reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 January 2021</b>	2,147,596	(148,787)	14,563,302	16,562,111
<b>Year ended 31 December 2021:</b>				
Loss for the year	-	-	(2,600,827)	(2,600,827)
Other comprehensive income:				
Adjustments to fair value of financial assets	-	134,507	-	134,507
Total comprehensive income for the year	-	134,507	(2,600,827)	(2,466,320)
<b>Balance at 31 December 2021</b>	2,147,596	(14,280)	11,962,475	14,095,791
<b>Year ended 31 December 2022:</b>				
Loss for the year	-	-	(2,314,547)	(2,314,547)
Other comprehensive income:				
Adjustments to fair value of financial assets	-	14,280	-	14,280
Total comprehensive income for the year	-	14,280	(2,314,547)	(2,300,267)
<b>Balance at 31 December 2022</b>	2,147,596	-	9,647,928	11,795,524

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Company information

DSAM Partners (London) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, 14-15 Conduit Street, London, W1S 2XJ.

#### 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 USD, 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 modified to include the revaluation of artwork. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of DSAM Capital Partners Limited. These consolidated financial statements are available from its registered office or from Companies House.

#### 1.2 Going concern

The company has sufficient liquid assets to continue its operations for a period in excess of twelve months from the date of this report. The directors are therefore confident that the Company has sufficient resources to settle its liabilities in the ordinary course of business and have no reason to believe that material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

#### 1.3 Turnover

Revenue, which is stated net of value added tax, represents fees for investment management services provided during the year. Management fees are recognised on an accruals basis and performance fees are accrued when they crystallise.

#### 1.4 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.

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

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:

Leasehold improvements	Over the life of the lease
Fixtures and fittings	4 years straight line
Computers and office equipment	3 years straight line
Motor vehicles	4 years straight line
Artwork	No depreciation

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

Artwork are carried in the financial statements at professional valuation

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

#### 1.6 Cash and cash equivalents

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

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors 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.

##### **Other financial assets**

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

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

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

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

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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



# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

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

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

#### **Other financial liabilities**

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

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

#### **Derecognition of financial liabilities**

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

### 1.8 Equity instruments

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

### 1.9 Taxation

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

#### **Current tax**

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

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, 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 when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.10 Employee benefits**

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

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

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

#### **1.11 Retirement benefits**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

#### **1.12 Leases**

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

### 2 Judgements and key sources of estimation uncertainty

In applying the Company accounting policies, the directors may be required to make judgments and estimates that could impact the amounts reported for assets and liabilities as at the statement of financial position date and the amount reported for revenue and expenses during the year.

The directors have not been required to use a significant degree of judgment in determining the timing and value of amounts recognised in these financial statements.

The directors are not aware of any significant sources of estimation uncertainty in the preparation of these financial statements.

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover

	2022	2021
	\$	\$
<b>Turnover analysed by class of business</b>		
Rendering of services - investment management services	-	7,879,614
	<u>          </u>	<u>          </u>
	2022	2021
	\$	\$
<b>Turnover analysed by geographical market</b>		
United Kingdom	-	7,879,614
	<u>          </u>	<u>          </u>

All turnover is derived from one activity, being the company's principal activity of providing creative solutions for the provision of investment management services.

### 4 Operating loss

	2022	2021
	\$	\$
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(418,049)	326,703
Fees payable to the company's auditor for the audit of the company's financial statements	36,703	23,890
Depreciation of owned tangible fixed assets	139,003	235,887
(Profit)/loss on disposal of tangible fixed assets	(28,058)	69,544
Operating lease charges	323,606	459,505
	<u>          </u>	<u>          </u>

### 5 Employees

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

	2022	2021
	Number	Number
Administration	6	9
Operations	-	6
Investment	-	13
	<u>          </u>	<u>          </u>
Total	6	28
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2022	2021
	\$	\$
Wages and salaries	723,214	5,009,677
Social security costs	128,239	777,618
Pension costs	35,521	199,111
	<u>          </u>	<u>          </u>
	886,974	5,986,406
	<u>          </u>	<u>          </u>

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Employees

(Continued)

Further analysis of wages and salaries were as follows:

	2022	2021		
	\$	\$		
<b>Members of staff</b>				
Fixed salary	463,057	3,139,077		
Discretionary bonus	130,088	236,324		
No. of beneficiaries	5	23		
<b>Senior management</b>				
Fixed salary	32,756	1,603,910		
Discretionary bonus	97,313	30,366		
No. of beneficiaries	1	5		
<b>6 Directors' remuneration</b>			<b>2022</b>	<b>2021</b>
			\$	\$
Remuneration for qualifying services			219,150	1,080,811
			<u>          </u>	<u>          </u>
Remuneration disclosed above include the following amounts paid to the highest paid director:				
			<b>2022</b>	<b>2021</b>
			\$	\$
Remuneration for qualifying services			166,887	589,944
			<u>          </u>	<u>          </u>
<b>7 Interest receivable and similar income</b>			<b>2022</b>	<b>2021</b>
			\$	\$
<b>Interest income</b>				
Other interest income			-	2
			<u>          </u>	<u>          </u>
<b>8 Interest payable and similar expenses</b>			<b>2022</b>	<b>2021</b>
			\$	\$
Interest on bank overdrafts and loans			-	29,882
Other interest			-	14,841
			<u>          </u>	<u>          </u>
			-	44,723
			<u>          </u>	<u>          </u>

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 9 Taxation

	2022	2021
	\$	\$
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	(541,299)
Adjustments in respect of prior periods	176,341	84,743
Foreign exchange differences	-	10,310
	<u>176,341</u>	<u>(446,246)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(7,971)	-
	<u>(7,971)</u>	<u>-</u>
Total tax charge/(credit)	<u>168,370</u>	<u>(446,246)</u>

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

	2022	2021
	\$	\$
Loss before taxation	<u>(2,146,177)</u>	<u>(3,047,073)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(407,774)	(578,944)
Tax effect of expenses that are not deductible in determining taxable profit	10,237	19,244
Unutilised tax losses carried forward	378,973	-
Permanent capital allowances in excess of depreciation	18,564	-
Other non-reversing timing differences	-	18,401
Under/(over) provided in prior years	176,341	84,743
Deferred tax	(7,971)	-
Foreign exchange differences	-	10,310
Taxation charge/(credit) for the year	<u>168,370</u>	<u>(446,246)</u>

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers and office equipment	Motor vehicles	Artwork	Total
	\$	\$	\$	\$	\$	\$
<b>Cost or valuation</b>						
At 1 January 2022	78,060	343,147	322,646	113,780	434,000	1,291,633
Additions	-	-	1,213	-	-	1,213
Disposals	-	-	-	(113,780)	-	(113,780)
Revaluation	-	-	-	-	(177,000)	(177,000)
At 31 December 2022	78,060	343,147	323,859	-	257,000	1,002,066
<b>Depreciation and impairment</b>						
At 1 January 2022	42,885	253,735	246,162	113,780	-	656,562
Depreciation charged in the year	22,173	65,015	51,815	-	-	139,003
Eliminated in respect of disposals	-	-	-	(113,780)	-	(113,780)
At 31 December 2022	65,058	318,750	297,977	-	-	681,785
<b>Carrying amount</b>						
At 31 December 2022	13,002	24,397	25,882	-	257,000	320,281
At 31 December 2021	35,175	89,412	76,484	-	434,000	635,071

Artwork with a carrying amount of \$257,000 were revalued at January 2023 by Sotheby's, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	Artwork 2022 \$	2021 \$
Cost	410,000	410,000

## DSAM PARTNERS (LONDON) LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11 Debtors

	2022	2021
	\$	\$
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	334,804	541,080
Amounts owed by group undertakings	6,940,313	40,814,305
Derivative financial instruments	-	83,103
Other debtors	3,557,061	3,332,781
Prepayments and accrued income	136,510	173,245
	<u>10,968,688</u>	<u>44,944,514</u>
	2022	2021
	\$	\$
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 13)	18,786	10,815
	<u>18,786</u>	<u>10,815</u>
<b>Total debtors</b>	<u>10,987,474</u>	<u>44,955,329</u>

Trade debtors disclosed above are measured at amortised cost.

Included within amounts owed by group undertakings are loan balances that are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included within other debtor is a loan balance of \$3,162,826 (2021: \$819,052) that is unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included within other debtor is a loan balance of \$nil (2021: \$2,005,315) due from a director of the company. , interest is charged at the HM Revenue & Customs official rate. The loan is unsecured, have no fixed date of repayment and are repayable on demand.

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

	2022	2021
	\$	\$
Trade creditors	70,090	593,411
Amounts owed to group undertakings	-	31,343,971
Taxation and social security	88,793	311,635
Derivative financial instruments	-	14,280
Other creditors	156,623	872,411
Accruals and deferred income	118,077	224,744
	<u>433,583</u>	<u>33,360,452</u>

Included within amounts due to group undertakings are loan balances that are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included within other creditors is a loan balance of \$150,536 (2021: \$nil) owed to a director of the company. The loan is unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# DSAM PARTNERS (LONDON) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022 \$	Assets 2021 \$
<b>Balances:</b>		
Accelerated capital allowances	18,406	(3,906)
Short term timing difference	380	14,721
	<u>18,786</u>	<u>10,815</u>
<b>Movements in the year:</b>		<b>2022 \$</b>
Asset at 1 January 2022		(10,815)
Credit to profit or loss		(7,971)
Asset at 31 December 2022		<u>(18,786)</u>

### 14 Retirement benefit schemes

	2022 \$	2021 \$
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	35,521	199,111

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

### 15 Share capital

	2022 Number	2021 Number	2022 \$	2021 \$
<b>Ordinary share capital Issued and fully paid of \$1.23363 each</b>	<u>1,740,876</u>	<u>1,740,876</u>	<u>2,147,596</u>	<u>2,147,596</u>

There is a single class of Ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

### 16 Reserves

#### Profit and loss reserves

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.



## DSAM PARTNERS (LONDON) LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 17 Operating lease commitments

##### Lessee

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

	2022 \$	2021 \$
Within one year	150,037	380,692
Between two and five years	-	151,941
	<u>150,037</u>	<u>532,633</u>

#### 18 Related party transactions

	2022 \$	2021 \$
Amounts due to related parties		
Key management personnel	<u>150,536</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2022 \$	2021 \$
Amounts due from related parties		
Key management personnel	<u>3,162,826</u>	<u>2,824,367</u>

## DSAM PARTNERS (LONDON) LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 19 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance	Amounts repaid	Closing balance
		\$	\$	\$
Loan account	-	2,005,315	(2,005,315)	-
		<u>2,005,315</u>	<u>(2,005,315)</u>	<u>-</u>

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