

## **ACAL Capital Advisory Ltd**

Directors' Report and Financial Statements

Year Ended

30 June 2021

Company Number 11414046



## ACAL Capital Advisory Ltd

### Company Information

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|                            |   |
|----------------------------|---|
| <b>Directors</b>           | G G Kaelin Lizarraga<br>M W Scherb  |
| <b>Registered number</b>   | 11414046  |
| <b>Registered office</b>   | Fifth Floor<br>45 Pall Mall<br>London<br>SW1Y 5JG                               |
| <b>Independent auditor</b> | Nexia Smith & Williamson<br>25 Moorgate<br>London<br>United Kingdom<br>EC2R 6AY |

## ACAL Capital Advisory Ltd

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## **ACAL Capital Advisory Ltd**

### **Directors' report For the year ended 30 June 2021**

The directors present their report and the financial statements for ACAL Capital Advisory Ltd ("the Company") for the year ended 30 June 2021.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The principal activity of the Company during the year was that of a parent Company to an FCA regulated investment advisor.

#### **Results and Dividends**

The profit for the year, after taxation, amounted to £2,889,379 (2020 - Loss (£234,691)).

During the year dividends of £2,152,835 were declared and paid (2020 - £Nil).

## ACAL Capital Advisory Ltd

### Directors' report (continued) For the year ended 30 June 2021

#### Directors

The directors who served during the year were:

G G Kaelin Lizarraga  
M W Scherb

#### Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been reviewed by the directors. Further details are given in note 2.4.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

#### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 07/03/2022 and signed on its behalf.

DocuSigned by:  
  
81FC784FBFCD4AF...  
**M W Scherb**  
Director

## ACAL Capital Advisory Ltd

### Independent auditor's report to the members of ACAL Capital Advisory Ltd

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#### Opinion

We have audited the financial statements of ACAL Capital Advisory Ltd (the 'company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the Directors' Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the 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 the audit:

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

## **ACAL Capital Advisory Ltd**

### **Independent auditor's report to the members of ACAL Capital Advisory 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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:

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the company's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the company's industry and regulation.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) in respect of the basis of preparation and presentation of the financial statements.

To gain evidence about compliance with the significant laws and regulations above we reviewed board meeting minutes, made enquiries of management, reviewed the legal expense account and obtained written management representations regarding the adequacy of procedures in place.

## ACAL Capital Advisory Ltd

### Independent auditor's report to the members of ACAL Capital Advisory Ltd

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The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, incorrect recognition of revenue and bias in accounting estimates. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the company's processes and controls surrounding manual journal entries;
- Testing of a sample of revenue transactions to underlying documentation; and
- Assessing the appropriateness of the methodology and key assumptions applied in the determination of impairment of fixed asset investments.

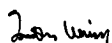
A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### 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.

Jonathan Wiseman (Senior Statutory Auditor)

For and on behalf of



**Nexia Smith & Williamson**

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Date: 07/03/2022

# ACAL Capital Advisory Ltd

## Statement of comprehensive income For the year ended 30 June 2021

|   |      | Year ended<br>30 June | Period from<br>24 June to<br>30 June |
|---|------|-----------------------|--------------------------------------|
|   | Note | 2021<br>£             | 2020<br>£                            |
| Turnover  | 3    | 3,755,430             | -                                    |
| Administrative expenses                               |      | (157,050)             | (114,114)                            |
| <b>Operating Profit / (loss)</b>                      | 4    | <b>3,598,380</b>      | <b>(114,114)</b>                     |
| Interest receivable and similar income                | 7    | 77,000                | 77,000                               |
| Interest payable and similar expenses                 | 8    | (191,915)             | (197,577)                            |
| <b>Profit / (loss) before tax</b>                     |      | <b>3,483,465</b>      | <b>(234,691)</b>                     |
| Tax on profit / (loss)                                | 9    | (594,086)             | -                                    |
| <b>Profit / (loss) for the financial year/ period</b> |      | <b>2,889,379</b>      | <b>(234,691)</b>                     |

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 9 to 19 form part of these financial statements.

**ACAL Capital Advisory Ltd**

Registered number: 11414046

**Statement of financial position  
As at 30 June 2021**

|   | Note | 30 June<br>2021<br>£ | 30 June<br>2020<br>£ |
|---|------|----------------------|----------------------|
| <b>Fixed assets</b>                                     |      |                      |                      |
| Investments   | 10   | 6,100,000            | 6,100,000            |
|   |      | <u>6,100,000</u>     | <u>6,100,000</u>     |
| <b>Current assets</b>                                   |      |                      |                      |
| Debtors: amounts falling due within one year            | 11   | 896,703              | 819,703              |
| Deferred tax asset                                      | 17   | 1,040,952            | 647,809              |
|   |      | <u>1,937,655</u>     | <u>1,467,512</u>     |
| <b>Current liabilities</b>                              |      |                      |                      |
| Creditors: amounts falling due within one year          | 12   | (3,889,874)          | (3,075,060)          |
| <b>Net current liabilities</b>                          |      | <u>(1,952,219)</u>   | <u>(1,607,550)</u>   |
| <b>Total assets less current liabilities</b>            |      | <u>4,147,781</u>     | <u>4,492,450</u>     |
| Creditors: amounts falling due after more than one year | 13   | -                    | (1,081,213)          |
| <b>Net assets</b>                                       |      | <u>4,147,781</u>     | <u>3,411,237</u>     |
| <b>Capital and reserves</b>                             |      |                      |                      |
| Called up share capital                                 | 15   | 2,000                | 2,000                |
| Share premium account                                   | 16   | 4,298,300            | 4,298,300            |
| Retained earnings                                       | 16   | (152,519)            | (889,063)            |
|   |      | <u>4,147,781</u>     | <u>3,411,237</u>     |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

DocuSigned by:

*Michael Scherb*

M. W. Scherb

Director 07/03/2022

The notes on pages 9 to 19 form part of these financial statements.

## ACAL Capital Advisory Ltd

### Statement of changes in equity For the year ended 30 June 2021

|  | Called up<br>share capital | Share<br>premium<br>account | Retained<br>Earnings | Total equity     |
|--|----------------------------|-----------------------------|----------------------|------------------|
|  | £                          | £                           | £                    | £                |
| <b>At 23 June 2019</b>                           | <u>2,000</u>               | <u>4,298,300</u>            | <u>(654,372)</u>     | <u>3,645,928</u> |
| <b>Comprehensive income for the period</b>       |                            |                             |                      |                  |
| Loss for the period                              | -                          | -                           | (234,691)            | (234,691)        |
| <b>Total comprehensive income for the period</b> | <u>-</u>                   | <u>-</u>                    | <u>(234,691)</u>     | <u>(234,691)</u> |
| <b>At 30 June 2020</b>                           | <u>2,000</u>               | <u>4,298,300</u>            | <u>(889,063)</u>     | <u>3,411,237</u> |
| Profit for the year                              | -                          | -                           | 2,889,379            | 2,889,379        |
| Dividends  | -                          | -                           | (2,152,835)          | (2,152,835)      |
| <b>At 30 June 2021</b>                           | <u>2,000</u>               | <u>4,298,300</u>            | <u>(152,519)</u>     | <u>4,147,781</u> |

## **ACAL Capital Advisory Ltd**

### **Notes to the financial statements For the year ended 30 June 2021**

#### **1. General information**

ACAL Capital Advisory Ltd is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and the nature of the Company's operations and its principal activities are set out in the directors' report. These accounts are prepared for the year ended 30 June 2021 with comparatives being presented for the period ended 30 June 2020.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2.16).

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cherry Street Limited as at 30 June 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

##### **2.3 Exemption from preparing consolidated financial statements**

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

## **ACAL Capital Advisory Ltd**

### **Notes to the financial statements For the year ended 30 June 2021**

#### **2. Accounting policies (continued)**

##### **2.4 Going concern**

Following the completion of the financial year ended 30 June 2021, the directors of the Company have reviewed the adequacy of the financial position of the Company for the next twelve months following the date of approval of these financial statements. In the financial year ended 30 June 2021 the Company has received profit allocation from its investment in Appian Capital Advisory LLP.

In addition the Company's working capital and its borrowings were serviced by the subsidiary.

The directors are of the opinion that the Company is able to operate as a going concern into the foreseeable future (i.e. not less than 12 months from the date of approval of these financial statements), having considered the projected operating and cash flows of the Company and the performance and financial position of Appian Capital Advisory LLP, its investee.

##### **2.5 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### **2.6 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover shown in the Statement of Comprehensive Income is derived wholly in the UK and represents profit allocation from Appian Capital Advisory LLP.

##### **2.7 Interest income**

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

##### **2.8 Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.9 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

## **ACAL Capital Advisory Ltd**

### **Notes to the financial statements For the year ended 30 June 2021**

#### **2. Accounting policies (continued)**

##### **2.10 Taxation**

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### **2.11 Valuation of investments**

Investments in subsidiaries and associates are measured at cost less accumulated impairment.

##### **2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.13 Cash and cash equivalents**

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

##### **2.14 Creditors**

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

# ACAL Capital Advisory Ltd

## Notes to the financial statements For the year ended 30 June 2021

### 2. Accounting policies (continued)

#### 2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from related parties, loans to related parties.

#### 2.16 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### (i) Impairment of fixed asset investments

Investments are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

### 3. Turnover

An analysis of turnover by class of business is as follows:

|  | Year<br>ended<br>30 June<br>2021<br>£ | Period<br>ended<br>30 June<br>2020<br>£ |
|--|---------------------------------------|---|
| Profit allocation received from subsidiary | 3,755,430                             | -                                       |

All turnover arose within the United Kingdom.

### 4. Operating profit /(loss)

The operating loss is stated after crediting/(charging):

|                      | Year<br>ended<br>30 June<br>2021<br>£ | Period<br>ended<br>30 June<br>2020<br>£ |
|----------------------|---------------------------------------|---|
| Exchange differences | 151,099                               | (24,465)                                |

# ACAL Capital Advisory Ltd

## Notes to the financial statements For the year ended 30 June 2021

### 5. Auditor's remuneration

The auditor's remuneration was £4,000 (2020: £4,000).

Statutory information on remuneration for other services provided by the Company's auditors is given in the consolidated financial statements of Cherry Street Limited.

### 6. Employees

The Company has no employees other than the directors.

|  | Year<br>ended<br>30 June<br>2021<br>£ | Period<br>ended<br>30 June<br>2020<br>£ |
|--|---------------------------------------|---|
| Directors' remuneration were as follows: |                                       |   |
| Wages and salaries                       | 264,064                               | -                                       |
| Social security costs                    | -                                     | -                                       |

The highest paid director received remuneration of £264,064 (2020 - £ Nil).

The value of the Company's contribution paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020 - £Nil).

### 7. Interest receivable and similar income

|                           | Year<br>ended<br>30 June<br>2021<br>£ | Period<br>ended<br>30 June<br>2020<br>£ |
|---------------------------|---------------------------------------|---|
| Other interest receivable | <u>77,000</u>                         | <u>77,000</u>                           |

### 8. Interest payable and similar expenses

|                        | Year<br>ended<br>30 June<br>2021<br>£ | Period<br>ended<br>30 June<br>2020<br>£ |
|------------------------|---------------------------------------|---|
| Other interest payable | <u>191,915</u>                        | <u>197,577</u>                          |

# ACAL Capital Advisory Ltd

## Notes to the financial statements For the year ended 30 June 2021

### 9. Taxation

|  | Year ended<br>30 June<br>2021<br>£ | Period ended<br>30 June<br>2020<br>£ |
|--|------------------------------------|--------------------------------------|
| <b>Current Tax</b>                             |                                    |                                      |
| In respect of current year / period            | 986,902                            | 647,809                              |
| Adjustments in respect of prior periods        | 327                                | -                                    |
| <b>Deferred tax</b>                            |                                    |                                      |
| In respect of current year / period            | (394,887)                          | (647,809)                            |
| Adjustments in respect of prior periods        | 1,744                              | -                                    |
| <b>Total tax expense for the year / period</b> | <b>594,086</b>                     | <b>-</b>                             |

### Factors affecting tax charge for the period

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

|  | Year ended<br>30 June<br>2021<br>£ | Period ended<br>30 June<br>2020<br>£ |
|--|------------------------------------|--------------------------------------|
| Profit / (loss) on ordinary activities before tax for the year / period                                | <u>3,483,465</u>                   | <u>(234,691)</u>                     |
| Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% | 661,858                            | (44,591)                             |
| <b>Effects of:</b>   |                                    |                                      |
| Expenses not deductible for tax purposes   | 37,110                             | -                                    |
| Group relief claimed   | (2,377)                            | (1,794)                              |
| Subsidiary profit allocation   | -                                  | 750,315                              |
| Losses brought forward utilised  | -                                  | (56,121)                             |
| Deferred tax recognised on timing of subsidiary profit allocation                                      | -                                  | (647,809)                            |
| Adjustments to tax charge in respect of previous periods   | 327                                | -                                    |
| Adjustments to tax charge in respect of previous periods - deferred tax                                | 1,745                              | -                                    |
| Deferred tax not recognised  | (104,577)                          | -                                    |
| <b>Total tax expense for the year / period</b>   | <u><b>594,086</b></u>              | <u><b>-</b></u>                      |

## ACAL Capital Advisory Ltd

### Notes to the financial statements For the year ended 30 June 2021

#### 10 Fixed asset investments

|  | 30 June<br>2021<br>£ | 30 June<br>2020<br>£ |
|--|----------------------|----------------------|
| <b>Total fixed asset investments comprise:</b> |                      |                      |
| <br><b>Interest in subsidiaries</b>            | <br>6,100,000        | <br>6,100,000        |

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name                        | Country of incorporation<br>or registration | Description<br>of interest | Holding |
|-----------------------------|---|----------------------------|---------|
| Appian Capital Peru S.A.C   | Peru  | Ordinary<br>shares         | 100%    |
| Appian Capital Advisory LLP | England and Wales                           | LLP member                 | 100%    |

The registered office address of Appian Capital Peru is Av. Circunvalacion del club del golf los incas 154 int. 501, District of Santiago de Surco, Provide and Department of Lima, Peru.

The registered office address of Appian Capital Advisory LLP is 5th Floor, 45 Pall Mall, London, SW1Y 5JG.

# ACAL Capital Advisory Ltd

## Notes to the financial statements For the year ended 30 June 2021

### 11. Debtors due within one year

|                                  | 30 June<br>2021<br>£ | 30 June<br>2020<br>£ |
|----------------------------------|----------------------|----------------------|
| Loans                            | 700,000              | 700,000              |
| Called up share capital not paid | 300                  | 300                  |
| Prepayments and accrued income   | 196,403              | 119,403              |
|                                  | <u>896,703</u>       | <u>819,703</u>       |

For information on loans, please see note 18 for further details.

### 12. Creditors: Amounts falling due within one year

|                                    | 30 June<br>2021<br>£ | 30 June<br>2020<br>£ |
|------------------------------------|----------------------|----------------------|
| Other loans                        | 119,809              | 705,923              |
| Borrowings                         | 1,050,891            | 1,234,686            |
| Other taxation and social security | -                    | 55,948               |
| Corporation tax payable            | 877,330              | 647,809              |
| Amounts owed to group undertakings | 1,802,553            | 316,903              |
| Accruals                           | -                    | 4,000                |
| Other creditors                    | 39,291               | 109,791              |
|                                    | <u>3,889,874</u>     | <u>3,075,060</u>     |

For information on borrowings, please see note 18 for further details.

# ACAL Capital Advisory Ltd

## Notes to the financial statements For the year ended 30 June 2021

### 13. Creditors: Amounts falling due after more than one year

|             | 30 June<br>2021<br>£ | 30 June<br>2020<br>£ |
|-------------|----------------------|----------------------|
| Other loans | -                    | 70,582               |
| Borrowings  | -                    | 1,010,633            |
|             | <u>-</u>             | <u>1,081,215</u>     |

### 14. Loans and Borrowings

Analysis of the maturity of loans and borrowings is given below:

|  | 30 June<br>2021<br>£    | 30 June<br>2020<br>£    |
|--|-------------------------|-------------------------|
| <b>Amounts falling due within one year</b> |                         |                         |
| Other loans                                | 119,809                 | 705,923                 |
| Borrowings                                 | 1,050,891               | 1,234,686               |
| <b>Amounts falling due 1-2 years</b>       |                         |                         |
| Other loans and borrowings                 | -                       | 1,081,215               |
|  | <u><b>1,170,700</b></u> | <u><b>3,021,824</b></u> |

During the prior period the Company entered into various loan agreements, described above as other loans. All loans are repayable in quarterly instalments beginning on 30 September 2019 and are due to be fully repaid in December 2021. Interest is charged on these loans at a rate of 11%.

The loans have been personally guaranteed by the Company's directors.

# ACAL Capital Advisory Ltd

## Notes to the financial statements For the year ended 30 June 2021

### 15. Share capital

|   | 30 June<br>2021<br>£ | 30 June<br>2020<br>£ |
|---|----------------------|----------------------|
| <b>Allotted, called up and fully paid</b> |                      |                      |
| 1,700 Ordinary A Shares of £1.00 each     | <u>1,700</u>         | <u>1,700</u>         |
| <b>Allotted, called up and unpaid</b>     |                      |                      |
| 300 Ordinary B Shares of £1.00 each       | <u>300</u>           | <u>300</u>           |

Class A shares have a priority interest in dividend distributions in accordance with clause 37.2 of the Company's Articles of Association. Class A and Class B shares have equal rights in all other respects.

### 16. Reserves

#### Called up share capital

Called up share capital reserve represents the nominal value of the shares issued.

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 17. Deferred tax

|                            | 30 June<br>2021<br>£ | 30 June<br>2020<br>£ |
|----------------------------|----------------------|----------------------|
| At 1 July                  | 647,809              | -                    |
| Credited to Profit or loss | 393,143              | 647,809              |
|                            | -                    | -                    |
| At 30 June                 | 1,042,952            | 647,809              |

Deferred tax asset relates to short term timing differences arising on timing of profit distribution received by the company from its subsidiary.

#### Factors that may affect future tax charges

Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. These changes are not include above as Finance Bill was not substantively enacted by the year end.

## ACAL Capital Advisory Ltd

### Notes to the financial statements For the year ended 30 June 2021

#### 18. Related party transactions

##### **Cherry Street Limited: parent company of the company**

The company paid a dividend of £2,152,835 (2020: £Nil) to Cherry Street Limited.

##### **Appian Peru S.A.C.: a director of the company is the General Manager of Appian Peru S.A.C.**

For the year ended 30 June 2021, the company was charged interest of £167,365 (period ended 30 June 2020: £69,151) on the loans received from Appian Peru S.A.C.

As at 30 June 2021, an amount of £1,015,795 (30 June 2020: £2,245,319) was payable to Appian Peru S.A.C..

##### **Appian Holdings Limited: a company within common ownership**

For the year ended 30 June 2021 the company charged interest of £77,000 (period ended 30 June 2020: £ 77,000) to Appian Holdings Limited.

As at 30 June 2021, an amount of £896,403 (30 June 2020: £819,403) was due from Appian Holdings Limited.

#### 19. Controlling party

The smallest and largest group in which the results of the Company are consolidated is that headed by Cherry Street Limited, the Company's immediate and ultimate parent company, whose registered address is 45 Pall Mall, London, SW1Y 5JG.

The consolidated accounts of Cherry Street Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the Company.

The ultimate controlling party is M W Scherb by virtue of his majority shareholding in Cherry Street Limited.

#### 20. Post balance sheet events

The Company borrowed an amount of £3m in November 2021. The funds will be used to support expansion of the Appian business. These loans are repayable in tranches with maturity ranging from October 2022 to May 2024 in 8 equal instalments.