
ACAL CAPITAL ADVISORY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

WEDNESDAY



ACYBM2NF

A12

06/03/2024

#230

COMPANIES HOUSE

ACAL CAPITAL ADVISORY LTD

COMPANY INFORMATION

Directors	W Jarvis G G Kaelin Lizarraga M I A N P Pinto M W Scherb
Registered number	11414046
Registered office	Fifth Floor 45 Pall Mall London SW1Y 5JG
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

ACAL CAPITAL ADVISORY LTD

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 22

ACAL CAPITAL ADVISORY LTD

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The directors present their Strategic Report for the year ended 30 June 2023.

The principal activity of ACAL Capital Advisory Ltd and its subsidiaries (together "Appian Group"), is that of providing investment advisory services to any investment fund or collective investment of which the Group is an advisor. ACAL Capital Advisory Ltd (through its subsidiaries) currently advises Appian Natural Resources Fund GP L.P., Appian Natural Resources Fund GP II Limited and Appian Natural Resources Fund GP III Limited.

Appian Natural Resources Fund GP L.P. is the General Partner of Appian Natural Resources Fund L.P., Appian Natural Resources (UST) Fund L.P., Appian Natural Resources (NV), L.P. and Appian Natural Resources (HG-AIV), L.P. (together, "Fund I"). Appian Natural Resources Fund GP II Limited is the General Partner of Appian Natural Resources Fund II L.P. and Appian Natural Resources (UST) Fund II L.P. (collectively "Fund II"). Appian Natural Resources Fund GP III Limited is the General Partner of Appian Natural Resources Fund III L.P. and Appian Natural Resources (UST) Fund III L.P. (together "Fund III").

Business review

Over the past decade, the Appian Group has grown significantly. We are proud of many things, not least of all our people, many of whom have grown into skilled investors post joining us as focused geologists or engineers. We are proud of the value we created for our investors, who backed us when we were an emerging and nascent team. Importantly, we are proud of the value we created within the communities and societies surrounding our operations, where an estimated 11,000 jobs have been added through the chain in some of the most remote territories in the world.

The Appian Group has continued to invest in people, and currently comprises 75 experienced professionals, with over 500 years of collective mining experience, across 9 offices. The Appian Group combines the value of the in-house financial and technical teams, which provide skill sets spanning the entire mining value chain.

ACAL CAPITAL ADVISORY LTD

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Principal risks and uncertainties

As with any fund advisor, the main risks and uncertainty relate to the ability to generate and receive advisory fees and that is driven by the ability to charge the underlying Funds and their investors. Appian Group continues to be in a strong position.

The Funds are in different life cycles: Fund I has reached its maturity and the fees are being funded by proceeds of exits. Fund I has an amount of past proceeds earmarked for the settlement of future advisory fees as well as running costs, ensuring the fund continues in good standing. Fund II is fully invested or committed to be invested and the advisory fees are funded by amounts in connection to the investments in the portfolio. Given the high quality of the fund investors, we have no reservations on the ability for the Appian Group to continue to earn advisory fees on Fund II.

Fund III held its first close on 2 November 2022 and the total commitments at the end of June 2023 equalled US\$1.99bn. The fund held its final close on 26 September 2023 for total commitments of US\$2.06bn.

The composition of the investor base of the funds comprised high credit-worth institutional investors, namely, university endowments, foundations, pension funds, and other sophisticated and well-funded global investors.

In the short to medium run, it is the management belief that there is strong demand for Appian's Group offer based on the fundamentals.

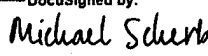
On the demand side, investors are increasingly focused on identifying and finding funds with strong performance and track record, and Appian Group is well positioned on that front. The funds invest in underlying commodities that are in high demand and that the management believes will continue to be in high demand not only as they can operate counter-cyclical to inflationary trends but also to increase the diversification in the investors' portfolios.

Appian Group continues to identify market and wholesale secular shifts early, forward-facing brave and reposition portfolios accordingly for the multi-polar, inflating and real assets-heavy world.

Financial key performance indicators

As a result of the expansion of its activities and increased investment ahead of Fund III, the Company generated a profit for the year of £4,850,432 (a 210% increase compared to the previous period).

This report was approved by the board and signed on its behalf.

DocuSigned by:

81FC784FBFCD4AF...

M W Scherb
Director

Date: 08/12/2023

ACAL CAPITAL ADVISORY LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

Directors

The directors who served during the year were:

W Jarvis
G G Kaelin Lizarraga
M I A N P Pinto
M W Scherb

Disclosure of information to auditor

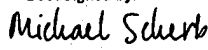
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor 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 auditor is aware of that information.

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

81FC784FBFCD4AF...

M W Scherb
Director

Date: 08/12/2023

ACAL CAPITAL ADVISORY LTD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

The directors are responsible for preparing the Strategic Report, 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; and
- 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAL CAPITAL ADVISORY LTD

Opinion

We have audited the financial statements of ACAL Capital Advisory Ltd (the 'Company') for the year ended 30 June 2023 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 2023 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.

ACAL CAPITAL ADVISORY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAL CAPITAL ADVISORY LTD

Other information

The other information comprises the information included in the Annual 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 Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

ACAL CAPITAL ADVISORY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAL CAPITAL ADVISORY LTD

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.

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, loans and amounts owed by group undertakings.

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

ACAL CAPITAL ADVISORY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAL CAPITAL ADVISORY LTD

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.

L Manson

Lindsay Manson (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditor

45 Gresham Street
London
EC2V 7BG

Date: 11/12/2023

ACAL CAPITAL ADVISORY LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £	2022 £
Turnover	4	6,997,289	1,500,000
Gross profit		6,997,289	1,500,000
Administrative expenses		(28,196)	(596,416)
Operating profit	5	6,969,093	903,584
Interest receivable and similar income	8	71,604	77,000
Interest payable and similar expenses	9	(717,764)	(208,494)
Profit before tax		6,322,933	772,090
Tax on profit	10	(1,472,501)	792,840
Profit for the financial year		4,850,432	1,564,930

There was no other comprehensive income for 2023 (2022 - £Nil).

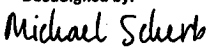
The notes on pages 12 to 22 form part of these financial statements.

ACAL CAPITAL ADVISORY LTD
REGISTERED NUMBER:11414046

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	11	6,100,000	6,100,000
		<u>6,100,000</u>	<u>6,100,000</u>
Current assets			
Debtors: amounts falling due within one year	12	5,711,794	4,495,160
Deferred tax asset	12	3,385,809	2,738,833
Cash at bank and in hand		785	1,175,980
		<u>9,098,388</u>	<u>8,409,973</u>
Creditors: amounts falling due within one year	13	(9,687,557)	(6,678,749)
Net current (liabilities)/assets		<u>(589,169)</u>	<u>1,731,224</u>
Total assets less current liabilities		<u>5,510,831</u>	<u>7,831,224</u>
Creditors: amounts falling due after more than one year	14	(876,986)	(3,365,513)
Net assets		<u><u>4,633,845</u></u>	<u><u>4,465,711</u></u>
Capital and reserves			
Called up share capital	17	2,000	2,000
Share premium	18	4,298,300	4,298,300
Retained earnings	18	333,545	165,411
Shareholders' funds		<u><u>4,633,845</u></u>	<u><u>4,465,711</u></u>

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

DocuSigned by:

81FC784FBFCD4AF...

M W Scherb
Director

Date: 08/12/2023

The notes on pages 12 to 22 form part of these financial statements.

ACAL CAPITAL ADVISORY LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Called up share capital £	Share premium account £	Retained earnings £	Total equity £
At 1 July 2021	2,000	4,298,300	(152,519)	4,147,781
Comprehensive income for the year				
Profit for the year	-	-	1,564,930	1,564,930
Contributions by and distributions to owners				
Dividends	-	-	(1,247,000)	(1,247,000)
At 1 July 2022	2,000	4,298,300	165,411	4,465,711
Comprehensive income for the year				
Profit for the year	-	-	4,850,432	4,850,432
Distributions to owners				
Dividends	-	-	(4,682,298)	(4,682,298)
At 30 June 2023	2,000	4,298,300	333,545	4,633,845

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. General information

ACAL Capital Advisory Ltd is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 11414046). The registered office address is Fifth Floor, 45 Pall Mall, London, SW1Y 5JG.

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 3).

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 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); and
- 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 2023 and these financial statements may be obtained from Companies House.

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 a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

Following the completion of the financial year ended 30 June 2023, 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 2023, the Company has received profit allocation from its investment in Appian Capital Advisory LLP.

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 cash flows of the Company and the performance and financial position of Appian Capital Advisory LLP, its investee.

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 profit or loss is derived wholly in the UK and represents profit allocation from Appian Capital Advisory LLP.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss 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 profit or loss in the year in which they are incurred.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

ACAL CAPITAL ADVISORY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.11 Financial instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. 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 reporting 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.

The directors have not identified any judgements in applying accounting policies that would have a material impact on the financial statements.

4. Turnover

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

	2023 £	2022 £
Profit allocation received from subsidiary	<u>6,997,289</u>	<u>1,500,000</u>

All turnover arose within the United Kingdom.

5. Operating profit

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

	2023 £	2022 £
Exchange differences	<u>(225,692)</u>	<u>361,804</u>

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. Auditor's remuneration

The auditor's remuneration was £8,775 (2022 - £6,500).

7. Directors' remuneration

	2023 £	2022 £
Wages and salaries	213,784	207,892

The Company has no employees other than the directors.

The highest paid director received remuneration of £165,435 (2022 - £207,892).

The value of the Company's contribution paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2022 - £Nil).

8. Interest receivable and similar income

	2023 £	2022 £
Other interest receivable	71,604	77,000

9. Interest payable and similar expenses

	2023 £	2022 £
Other interest payable	717,764	208,494

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	2,121,468	902,991
Adjustments in respect of previous periods	(1,991)	2,050
Total current tax	2,119,477	905,041
Deferred tax		
Origination and reversal of timing differences	(646,976)	(1,369,589)
Adjustments in respect of prior periods	-	327
Effect of tax rate change on opening balance	-	(328,619)
Total deferred tax	(646,976)	(1,697,881)
Total tax charge/(credit) for the year	1,472,501	(792,840)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 20.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	6,322,933	772,090
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022 - 19%)	1,296,201	146,697
Effects of:		
Adjustments to tax charge in respect of prior periods	(1,991)	2,050
Adjustments to tax charge in respect of prior periods - deferred tax	-	327
Non-taxable income	-	(285,000)
Remeasurement of deferred tax for changes in tax rates	190,617	(646,836)
Group relief	(12,326)	(10,078)
Total tax charge/(credit) for the year	1,472,501	(792,840)

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10. Taxation (continued)

Factors that may affect future tax charges

Finance Act 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The effects of this increase are reflected in the above. There were no factors that may affect future tax charges.

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 July 2022	6,100,000
At 30 June 2023	<u>6,100,000</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Appian Capital Peru S.A.C.	Av.Circunvalacion del club del golf los incas 154 int. 501, District of Santiago de Surco, Provide and Department of Lima, Peru	Ordinary	100%
Appian Capital Advisory LLP	Fifth Floor, 45 Pall Mall, London, SW1Y 5JG	LLP designated member	100%

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

12. Debtors

	2023 £	2022 £
Amounts owed by group undertakings	4,603,894	2,915,207
Loans	463,159	700,000
Other debtors	572,836	533,509
Called up share capital not paid	300	300
Prepayments and accrued income	71,605	346,144
Deferred taxation	3,385,809	2,738,833
	<u>9,097,603</u>	<u>7,233,993</u>

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Borrowings	2,987,032	1,712,917
Amounts owed to group undertakings	6,226,676	4,570,897
Corporation tax	424,545	360,038
Accruals	49,304	34,897
	<u>9,687,557</u>	<u>6,678,749</u>

All borrowings are repayable in quarterly instalments and are due to be fully repaid by December 2024. Interest is charged on these borrowings at between 8% and 9.5%. The borrowings have been personally guaranteed by two of the Company's directors.

14. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Borrowings	<u>876,986</u>	<u>3,365,513</u>

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Borrowings	2,987,032	1,712,917
Amounts falling due 1-2 years		
Borrowings	876,986	2,545,230
Amounts falling due 2-5 years		
Borrowings	-	820,283
	<u>3,864,018</u>	<u>5,078,430</u>

16. Deferred taxation

	2023 £	2022 £
At beginning of year	2,738,833	1,040,952
Credited to profit or loss	646,976	1,697,881
At end of year	<u>3,385,809</u>	<u>2,738,833</u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Short-term timing differences	<u>3,385,809</u>	<u>2,738,833</u>

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

17. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,700 Ordinary A shares of £1.00 each	1,700	1,700
	<u>1,700</u>	<u>1,700</u>
Allotted, called up and unpaid		
300 Ordinary B shares of £1.00 each	300	300
	<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 Article of Association. Class A and Class B shares have equal rights in all other respects.

18. Reserves

Share premium

The share premium is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

ACAL CAPITAL ADVISORY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

19. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Cherry Street Limited: parent company of the Company

ACAL Capital Advisory Ltd declared a dividend of £3,684,278 (2022 - £1,247,000) to Cherry Street Limited. As at 30 June 2023, ACAL Capital Advisory Ltd owed £3,067,471 (2022 - £1,169,909) to Cherry Street Limited.

Appian Holdings Limited: a company within common ownership

For the year ended 30 June 2023, ACAL Capital Advisory Ltd charged interest of £71,604 (2022 - £77,000) to Appian Holdings Limited. As at 30 June 2023, an amount of £534,763 (2022 - £973,403) was due from Appian Holdings Limited. This amount is repayable on demand.

Stark Advisory Services LLC: personal entity of a director of ACAL Capital Advisory Ltd

ACAL Capital Advisory Ltd declared a dividend of £998,020 (2022 - £Nil) to Stark Advisory Services LLC. As at 30 June 2023, ACAL Capital Advisory Ltd was owed £58,049 (2022 - was owed £533,509). This amount is interest-free and repayable on demand.

Cherry Street Consulting FZE: a personal company of a director of ACAL Capital Advisory Ltd

During the year ended 30 June 2023, ACAL Capital Advisory Ltd provided an interest free loan of £540,927 to Cherry Street Consulting FZE. As at 30 June 2023 £540,927 was owed to ACAL Capital Advisory Ltd (2022 - £Nil). This amount is repayable on demand.

20. Controlling party

The immediate and ultimate parent undertaking is Cherry Street Limited, a company registered in England and Wales.

The smallest and largest group of undertakings for which group accounts for the year ended 30 June 2023 have been drawn up is that headed by Cherry Street Limited. The registered office address of Cherry Street Limited is Fifth Floor, 45 Pall Mall, London, SW1Y 5JG. Copies of the group accounts are available from Companies House.

The ultimate controlling party is M W Scherb, by virtue of their shareholding and directorship in the ultimate parent undertaking.