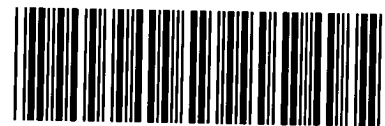


**Saracen Fund Managers Limited**  
**Strategic Report, Report of the Directors and**  
**Financial Statements**  
**for the Period**  
**1 April 2021 to 30 September 2021**

Whitelaw Wells  
Statutory Auditor  
9 Ainslie Place  
Edinburgh  
Midlothian  
EH3 6AT

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# **Saracen Fund Managers Limited**

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**Saracen Fund Managers Limited**  
**Company Information**  
**for the Period 1 April 2021 to 30 September 2021**

<b>DIRECTORS:</b>	G H Campbell J G Matheson J C Keir P A McKellar M J Gilbert
<b>REGISTERED OFFICE:</b>	2nd Floor 19 Rutland Square Edinburgh EH1 2BB
<b>REGISTERED NUMBER:</b>	SC180545 (Scotland)
<b>SENIOR STATUTORY AUDITOR:</b>	Kevin Cattanach CA
<b>AUDITORS:</b>	Whitelaw Wells Statutory Auditor 9 Ainslie Place Edinburgh Midlothian EH3 6AT
<b>BANKERS:</b>	Bank of Scotland 167-201 Argyle Street Glasgow G2 8BU

**Saracen Fund Managers Limited**  
**Strategic Report**  
**for the Period 1 April 2021 to 30 September 2021**

The directors present their strategic report for the period 1 April 2021 to 30 September 2021.

**REVIEW OF BUSINESS**

The principle activity of Saracen Fund Managers Limited ("the company") is investment management.

The six months to 30th September 2021 recorded a return to profitability - which was predominantly caused by a recovery in global equity markets, on a lower cost base. The business remains on a very solid financial footing and the Board continues to maintain a capital buffer that is significantly above the required level.

The main event over the period was the acquisition of Saracen, by AssetCo. In coming to the decision to accept the offer, the Board of Saracen noted the concentration in the financial sector and the steady increase in barriers increasing for smaller firms. In addition, we held the management of AssetCo in high regard and believed that together we could increase the value of the sum of the parts. We are please to report that post acquisition, the takeover has been smooth and we are working on increasing our marketing activity in the months ahead.

Equity markets have rebounded strongly since the vaccine roll-out has enabled economies to slowly return to some form of normality. We note the variance in progress globally, but believe that the trend is firmly heading towards a pick-up in global economic activity. We are encouraged that Central Banks have maintained loose fiscal conditions: credit is available and interest rates are very low. In addition, many businesses have survived the lock-down and re-emerged in robust financial shape. Combined with household saving ratios strengthening, all the drivers suggest that the rebound in economic activity will persist for some time.

Many lives have changed as we have navigated our route through the pandemic. Some of the changes will be long lasting. While Saracen has been able to effectively operate from remote locations, for the past few months we have returned to the office for some of the working week. This mix of office and home working appears to be efficient and popular and we expect to continue this practice at least for the next few months.

It has been a frustration that we have not been able to meet with clients face-to face over most of the past 18 months. This is slowly changing and while Zoom and other forms of virtual meetings have their uses, it is again important that we meet with our clients. We continue to use social media and we continue to publish Blogs to supplement our regular monthly Factsheets and more detailed Quarterly Reports.

We continue to develop our ESG capabilities: Saracen research has always included ESG scoring. While we are interested in businesses that have these positive attributes, we focus on the underlying trends. Businesses that change to reflect different demands by society tend also to become more attractive to their customers and in the process are frequently able to improve their own financial performance as a result.

The takeover by AssetCo marked the resignation of Jim Fisher and Dr Ian Spence as Non-Executive Directors. Jim was the founder of Saracen and Ian has been with the business almost as long. We thank them both for their contributions, both as employees and for their advice as Non-Executive Directors and wish them long and active retirements. We welcome Martin Gilbert and Peter McKellar to the Board and look forward to their contributions in the years ahead.

**Saracen Fund Managers Limited**  
**Strategic Report**  
**for the Period 1 April 2021 to 30 September 2021**

At the end of March Scott Mackenzie resigned to take up another opportunity. We thank Scott for his contribution to Saracen and wish him every success in the future. I am pleased to report the addition of Alasdair Birch as part of the Team. Alasdair has fitted in very well and I am confident that he will be a rising star.

The Board regularly assess the requirement for regulatory capital, compliance, risk monitoring, funds under management, the profitability of the business and fund performance. Saracen manages the funds for the long-term and aims to build a close relationship with our clients.

May I also thank the Board and my colleagues for their hard work, support and alignment by being personally material investors in our funds and our clients for their business, patience and support.

**KEY PERFORMANCE INDICATORS**

The Board assess its performance in meeting the company's objective against the following Key Performance indicators of the underlying funds, details of which can be found in the individual Funds prospectuses.

- Net asset value over the long term whilst aiming to protect and increase the value of shareholders' funds per share in accordance with the investment objectives for each sub fund; and
- Growth in assets under management above market returns

## **Saracen Fund Managers Limited**

### **Strategic Report for the Period 1 April 2021 to 30 September 2021**

#### **SECTION 172(1) STATEMENT**

The Directors have a duty to promote the success of the Company for the benefit of Shareholders as a whole and to describe how they have performed this duty having regard to matters set out in section 172(1) of the Companies Act 2006. In fulfilling this duty, the Directors consider the likely consequences of their actions over the long term and on other stakeholders.

The Board works to attract, develop and retain talent for the long-term. All colleagues are shareholders in Saracen Fund Managers and invest in our funds. Our people have a crucial role in delivering against our strategy and creating value.

Investment management services are fundamental to the long term success of the Company through the pursuit of the investment objectives of the individual funds. The Board regularly monitors the Company's investment performance in relation to its objective and also to its investment policy and strategy.

Managers seek to maintain constructive relationships with the investors in our funds, typically through regular communications, provision of relevant information and update meetings. The Annual and Interim reports are issued to investors and are available on the Managers' website together with other relevant information including monthly factsheets and detailed quarterly commentaries. The Managers offer to meet the larger Shareholders twice a year to provide detailed reports on the progress of the Company and receive feedback which is provided to the Board.

The Board is committed to maintaining and demonstrating high standards of corporate governance in relation to the Company's business conduct. The Board also expects good standards at the companies within which the Company is invested. In this regard, it is satisfied that the Managers consistently and proactively engage with investee companies on environmental, social and governance matters, where these are material to the investment case and therefore to the long term success of the Company. Investments are not excluded from the portfolio based on these matters alone as a broader range of factors is used for evaluation. Where environmental, social and governance matters impinge upon the investment case, the Managers engage with investee companies to encourage the issues to be addressed. The Managers are well placed to undertake this activity, which has always been a fully integrated element of their investment process.

At every board meeting the directors review the progress against strategic priorities and discusses future plans for the business. The Board are in full agreement that number one strategic priority is to exceed our investor expectations in both investment returns and client servicing. The Board believes that consistent deliver of over the long-term is the best way of growing assets under management and therefore, ensuring the long-term success of Saracen Fund managers.

## **Saracen Fund Managers Limited**

### **Strategic Report for the Period 1 April 2021 to 30 September 2021**

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

As an investment manager the Company's principle risks and uncertainties are linked to those of the fund:

**Investment Performance:** Share prices move for many reasons, whether it is due to supply and demand for shares, changes in business prospects, interest rate, foreign exchange or many other factors. At Saracen we take a longer-term view to measuring performance, usually over a three-year horizon. Our clients, however, can take a shorter view to measuring performance and may decide to sell units in our funds due to poor performance over shorter time periods.

**Market Risk:** The management of market price risk is part of the investment process and is fundamental to investment. A sharp fall in markets would likely impact Saracen's revenues. We view this as a largely unavoidable risk as we do not hedge or hold significant cash in our portfolios: we believe our clients allocate funds to us as they wish to invest in the fund mandates that we follow.

When we analysis a business or construct a portfolio we aim to reduce many avoidable risks. A vital part of identifying a business for potential investment is forecasting a likely "Worst case" estimate of profitability and financial stress. We also have tight guidelines surrounding portfolio construction which aims to reduce unnecessary risks and will assist in preserving capital.

**Reputation:** It is important for the maintenance and growth of our business that our clients regard the performance and behaviour of employees and the business in general in high regard. Accordingly, Compliance and Risk is tabled at each Board meeting.

**Counterparty Risk:** This would occur if an issuer or counterparty was unable or unwilling to meet a commitment that it has entered into within the Company. The principal financial assets are investments, cash balances and other receivables, the carrying value of which represents the maximum exposure to credit risks in relation to financial assets. The Company did not have exposure to any financial assets which were past due or impaired at the year-end (2019: none).

The Company is exposed to potential failure by counterparties to deliver securities already in paid, or to pay for securities which have been delivered. A list pre-approved counterparties used in such transactions is maintained and regularly reviewed, and transactions must be settled on a basis of delivery against payment. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. Risk relating to unsettled transactions is considered to be small because of the short settlement period involved and the credit quality of the brokers used.

All the assets, including cash deposits and receivables, are held by the custodians, Northern Trust. Bankruptcy or insolvency of the custodian might cause the rights with respect to the securities held by the custodian to be delayed or limited. The Board monitors risk by reviewing the custodian's internal control reports on a regular basis. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings, rated A or higher, assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions might cause the ability to access cash placed on deposit to be delayed or limited.

**Liquidity:** Liquidity risk is the risk that the funds managed by Saracen will encounter in realising assets or otherwise raising funds to meet financial commitments. The risk of liquidity in funds at any time is not considered by the Board to be significant, given the size of the funds and the underlying liquidity nature of the portfolios.

**Saracen Fund Managers Limited**

**Strategic Report  
for the Period 1 April 2021 to 30 September 2021**

**Regulation:** We operate within a strict regulatory framework. It is paramount to the business that we comply with and are up to speed with all regulatory developments. Compliance and Risk Monitoring is discussed at each Board meeting.

**Key Management:** In a smaller company the contribution of each employee is significant, but is of greater significance in the Investment team. We operate in a competitive business and many larger businesses have the resources to offer our employees substantially higher financial compensation. This risk can never be eliminated but the Board take comfort by significant individual positions held in equity by employees and their significant investments in the funds we manage.

**Capital:** Saracen is required to hold a proportion of capital in cash. In practice we operate with a significant buffer above the required amount. On management forecasts, the Board is comfortable that the business holds sufficient capital to meet existing regulatory needs. The regulatory capital requirement could change and more capital might be required. This is monitored by the Board at each meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'G H Campbell', written in a cursive style.

G H Campbell - Director

1 December 2021



## **Saracen Fund Managers Limited**

### **Report of the Directors for the Period 1 April 2021 to 30 September 2021**

The directors present their report with the financial statements of the company for the period 1 April 2021 to 30 September 2021.

#### **DIVIDENDS**

No dividends will be distributed for the period ended 30 September 2021.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

G H Campbell

J G Matheson

J C Keir

Other changes in directors holding office are as follows:

J C Fisher - resigned 30 July 2021

J C Spence - resigned 30 July 2021

P A McKellar - appointed 30 July 2021

M J Gilbert - appointed 30 July 2021

#### **ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS**

The directors engagement with suppliers, customers and other stakeholders is discussed in the strategic review as part of the board's section 172(1) statement.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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.

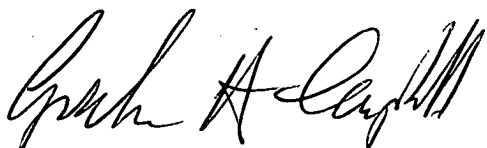
**Saracen Fund Managers Limited**

**Report of the Directors  
for the Period 1 April 2021 to 30 September 2021**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'G H Campbell', written in a cursive style.

G H Campbell - Director

1 December 2021

**Report of the Independent Auditors to the Members of  
Saracen Fund Managers Limited**

**Opinion**

We have audited the financial statements of Saracen Fund Managers Limited (the 'company') for the period ended 30 September 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 30 September 2021 and of its profit for the period 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

**Report of the Independent Auditors to the Members of  
Saracen Fund Managers Limited**

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page seven, 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 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.

## **Report of the Independent Auditors to the Members of Saracen Fund Managers Limited**

### **Auditors' 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 a Report of the Auditors 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:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We tested a sample of income and expenditure transactions designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

A further description of our responsibilities for the audit of the financial statements is located 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 Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Saracen Fund Managers Limited**

**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 a Report of the Auditors 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.

A handwritten signature in black ink, appearing to read 'K. Cattnach', with a long horizontal flourish extending to the right.

Kevin Cattnach CA (Senior Statutory Auditor)  
for and on behalf of Whitelaw Wells  
Statutory Auditor  
9 Ainslie Place  
Edinburgh  
Midlothian  
EH3 6AT

1 December 2021

**Saracen Fund Managers Limited**

**Statement of Comprehensive  
Income  
for the Period 1 April 2021 to 30 September 2021**

		Period 1.4.21 to 30.9.21 £	Year Ended 31.3.21 £
	Notes		
<b>TURNOVER</b>		439,685	753,755
Administrative expenses		<u>305,183</u>	<u>801,868</u>
		134,502	(48,113)
Other operating income		<u>3,667</u>	<u>13,632</u>
<b>OPERATING PROFIT/(LOSS)</b>	5	138,169	(34,481)
Interest receivable and similar income		<u>86</u>	<u>265</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		138,255	(34,216)
Tax on profit/(loss)	6	<u>26,314</u>	<u>(27,404)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>		111,941	(6,812)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><u>111,941</u></u>	<u><u>(6,812)</u></u>

The notes form part of these financial statements

Balance Sheet  
30 September 2021

	Notes	2021 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	7	3,268	-
<b>CURRENT ASSETS</b>			
Debtors	8	98,539	140,550
Cash at bank		<u>452,025</u>	<u>305,538</u>
		550,564	446,088
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>48,277</u>	<u>52,476</u>
<b>NET CURRENT ASSETS</b>		<u>502,287</u>	<u>393,612</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		505,555	393,612
<b>PROVISIONS FOR LIABILITIES</b>	11	<u>2</u>	<u>-</u>
<b>NET ASSETS</b>		<u>505,553</u>	<u>393,612</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2,050	2,050
Share premium	13	512,138	512,138
Capital redemption reserve	13	15,099	15,099
Retained earnings	13	<u>(23,734)</u>	<u>(135,675)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>505,553</u>	<u>393,612</u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 December 2021 and were signed on its behalf by:



G H Campbell - Director



**Saracen Fund Managers Limited**

**Statement of Changes in Equity  
for the Period 1 April 2021 to 30 September 2021**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
<b>Balance at 1 April 2020</b>	2,050	(128,625)	512,375	14,861	400,661
<b>Changes in equity</b>					
Issue of share capital	-	-	(237)	-	(237)
Total comprehensive income	-	(7,050)	-	238	(6,812)
<b>Balance at 31 March 2021</b>	<u>2,050</u>	<u>(135,675)</u>	<u>512,138</u>	<u>15,099</u>	<u>393,612</u>
<b>Changes in equity</b>					
Total comprehensive income	-	111,941	-	-	111,941
<b>Balance at 30 September 2021</b>	<u>2,050</u>	<u>(23,734)</u>	<u>512,138</u>	<u>15,099</u>	<u>505,553</u>

The notes form part of these financial statements

**Saracen Fund Managers Limited**

**Cash Flow Statement  
for the Period 1 April 2021 to 30 September 2021**

	Notes	Period 1.4.21 to 30.9.21 £	Year Ended 31.3.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>149,861</u>	<u>(39,224)</u>
Net cash from operating activities		<u>149,861</u>	<u>(39,224)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(3,460)	-
Interest received		<u>86</u>	<u>265</u>
Net cash from investing activities		<u>(3,374)</u>	<u>265</u>
<b>Cash flows from financing activities</b>			
Share buyback		<u>-</u>	<u>(237)</u>
Net cash from financing activities		<u>-</u>	<u>(237)</u>
		<u>                    </u>	<u>                    </u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>146,487</b>	<b>(39,196)</b>
<b>Cash and cash equivalents at beginning of period</b>	2	<u>305,538</u>	<u>344,734</u>
		<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents at end of period</b>	2	<u><u>452,025</u></u>	<u><u>305,538</u></u>

The notes form part of these financial statements

**Saracen Fund Managers Limited**

**Notes to the Cash Flow Statement  
for the Period 1 April 2021 to 30 September 2021**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 1.4.21 to 30.9.21 £	Year Ended 31.3.21 £
Profit/(loss) before taxation	138,255	(34,216)
Depreciation charges	192	2,667
Finance income	<u>(86)</u>	<u>(265)</u>
	138,361	(31,814)
Decrease/(increase) in trade and other debtors	15,699	(644)
Decrease in trade and other creditors	<u>(4,199)</u>	<u>(6,766)</u>
<b>Cash generated from operations</b>	<u><b>149,861</b></u>	<u><b>(39,224)</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 30 September 2021**

	30.9.21 £	1.4.21 £
Cash and cash equivalents	<u>452,025</u>	<u>305,538</u>

**Year ended 31 March 2021**

	31.3.21 £	1.4.20 £
Cash and cash equivalents	<u>305,538</u>	<u>344,734</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.21 £	Cash flow £	At 30.9.21 £
<b>Net cash</b>			
Cash at bank	<u>305,538</u>	<u>146,487</u>	<u>452,025</u>
	<u>305,538</u>	<u>146,487</u>	<u>452,025</u>
<b>Total</b>	<u><b>305,538</b></u>	<u><b>146,487</b></u>	<u><b>452,025</b></u>

The notes form part of these financial statements

## **Saracen Fund Managers Limited**

### **Notes to the Financial Statements for the Period 1 April 2021 to 30 September 2021**

#### **1. STATUTORY INFORMATION**

Saracen Fund Managers Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

#### **2. ACCOUNTING POLICIES**

##### **General information and basis of accounting**

Saracen Fund Managers Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

##### **Turnover**

Turnover represents amounts receivable from third parties from investment management services and is stated net of VAT and fee rebates as the services are provided. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write the costs less estimated residual value of fixed assets by equal annual instalments over their estimated useful lives which are considered to be:

- Computer equipment - 3 years
- Fixture & fittings - 3 years

##### **Financial instruments**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

All financial liabilities are initially measured at transaction price (less transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Notes to the Financial Statements - continued  
for the Period 1 April 2021 to 30 September 2021**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that results in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of the assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are only offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Leases**

Rentals under operating leases are charged in a straight-line basis over the lease term.

# Saracen Fund Managers Limited

## Notes to the Financial Statements - continued for the Period 1 April 2021 to 30 September 2021

### 2. ACCOUNTING POLICIES - continued

#### Going concern

The financial statement have been prepared using the going concern basis of accounting. The directors going concern assessment includes the expected impact of COVID-19 to the company for a period of at least 12 months from the date of signing of these financial statements. As part of this assessment the directors have prepared budgets that cover a three year period to the end of March 2024 which show the company will continue to met debts as they fall due and will be profitable over the period reviewed.

#### Employee benefits

The amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Share-based payments

The company grants to its employees rights to equity instruments of Saracen Fund Managers Limited.

A liability equal to the portion of the goods or services received at recognised a the current fair value determined at each balance sheet date for cash-settled share-based payments.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

### 3. EMPLOYEES AND DIRECTORS

	Period 1.4.21 to 30.9.21 £	Year Ended 31.3.21 £
Wages and salaries	169,265	488,406
Social security costs	20,668	53,304
Other pension costs	<u>5,159</u>	<u>13,163</u>
	<u>195,092</u>	<u>554,873</u>

The average number of employees during the period was as follows:

Period 1.4.21 to 30.9.21	Year Ended 31.3.21
<u>6</u>	<u>8</u>

**Saracen Fund Managers Limited**

**Notes to the Financial Statements - continued  
for the Period 1 April 2021 to 30 September 2021**

**4. DIRECTORS' EMOLUMENTS**

	Period 1.4.21 to 30.9.21 £	Year Ended 31.3.21 £
Directors' remuneration	<u>71,250</u>	<u>199,167</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>-</u>	<u>1</u>
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**5. OPERATING PROFIT/(LOSS)**

The operating profit (2021 - operating loss) is stated after charging:

	Period 1.4.21 to 30.9.21 £	Year Ended 31.3.21 £
Other operating leases	38,691	58,635
Depreciation - owned assets	192	2,667
Auditors' remuneration	5,280	5,220
Auditors remun - Tax compliance services	600	600
Other non- audit services	780	1,080
Directors remuneration	<u>71,250</u>	<u>199,167</u>

**6. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the period was as follows:

	Period 1.4.21 to 30.9.21 £	Year Ended 31.3.21 £
Current tax:		
UK corporation tax	16	(1,108)
Deferred tax	<u>26,298</u>	<u>(26,296)</u>
Tax on profit/(loss)	<u>26,314</u>	<u>(27,404)</u>

UK corporation tax has been charged at 19% (2021 - 19%).

**Saracen Fund Managers Limited**

**Notes to the Financial Statements - continued  
for the Period 1 April 2021 to 30 September 2021**

**6. TAXATION - continued**

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.4.21 to 30.9.21 £	Year Ended 31.3.21 £
Profit/(loss) before tax	<u>138,255</u>	<u>(34,216)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	26,268	(6,501)
Effects of:		
Expenses not deductible for tax purposes	46	593
Depreciation in excess of capital allowances	-	507
Deferred tax recognised from earlier years	<u>-</u>	<u>(22,003)</u>
Total tax charge/(credit)	<u>26,314</u>	<u>(27,404)</u>

**7. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2021	8,361	19,784	28,145
Additions	<u>-</u>	<u>3,460</u>	<u>3,460</u>
At 30 September 2021	<u>8,361</u>	<u>23,244</u>	<u>31,605</u>
<b>DEPRECIATION</b>			
At 1 April 2021	8,361	19,784	28,145
Charge for period	<u>-</u>	<u>192</u>	<u>192</u>
At 30 September 2021	<u>8,361</u>	<u>19,976</u>	<u>28,337</u>
<b>NET BOOK VALUE</b>			
At 30 September 2021	<u>-</u>	<u>3,268</u>	<u>3,268</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>



**Saracen Fund Managers Limited**

**Notes to the Financial Statements - continued  
for the Period 1 April 2021 to 30 September 2021**

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2021
	£	£
Trade debtors	70,332	82,155
Tax	2,600	2,616
Deferred tax asset	-	26,296
Prepayments	<u>25,607</u>	<u>29,483</u>
	<u><u>98,539</u></u>	<u><u>140,550</u></u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2021
	£	£
Social security and other taxes	16,883	14,103
Other creditors	<u>31,394</u>	<u>38,373</u>
	<u><u>48,277</u></u>	<u><u>52,476</u></u>

**10. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2021
	£	£
Within one year	43,809	30,893
Between one and five years	<u>10,786</u>	<u>12,583</u>
	<u><u>54,595</u></u>	<u><u>43,476</u></u>

**11. PROVISIONS FOR LIABILITIES**

	2021	
	£	
Deferred tax	<u><u>2</u></u>	
		Deferred tax
		£
Balance at 1 April 2021		(26,296)
Charge to Statement of Comprehensive Income during period		<u>26,298</u>
Balance at 30 September 2021		<u><u>2</u></u>

**Saracen Fund Managers Limited**

**Notes to the Financial Statements - continued  
for the Period 1 April 2021 to 30 September 2021**

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2021 £
20,504	Ordinary	0.1	<u>2,050</u>	<u>2,050</u>

The Company has one class of shares which carry no right to fixed income.

**13. RESERVES**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 April 2021	(135,675)	512,138	15,099	391,562
Profit for the period	<u>111,941</u>			<u>111,941</u>
At 30 September 2021	<u>(23,734)</u>	<u>512,138</u>	<u>15,099</u>	<u>503,503</u>

The Company's reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The retained earnings represent cumulative profit or losses, net of dividends and other adjustments.

The capital redemption reserve represents the redemption of the purchase of the company's own shares.

**14. ULTIMATE PARENT COMPANY**

AssetCo PLC is regarded by the directors as being the company's ultimate parent company.

**15. RELATED PARTY TRANSACTIONS**

The total remuneration for key management personnel for the period totalled £215,833 (2020: £323,000).