

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020**  
**FOR**  
**ALBEMARLE ASSET MANAGEMENT LIMITED**

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**FOR THE YEAR ENDED 31ST DECEMBER 2020**

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**ALBEMARLE ASSET MANAGEMENT LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**DIRECTORS:** F C De Tomasi  
C De Ranieri  
M Massimilla

**SECRETARY:** M Wrigley

**REGISTERED OFFICE:** 3rd & 4th Floor, 21 Upper Brook Street  
Mayfair  
London  
W1K 7PY

**REGISTERED NUMBER:** 04745029 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Robert Nissen F.C.A.

**AUDITORS:** Stein Richards  
Chartered Accountants and Statutory Auditor  
10 London Mews  
Paddington  
London  
W2 1HY

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

The directors present their strategic report for the year ended 31st December 2020.

**REVIEW OF BUSINESS**

The results for the year are set out on page 12 and show the loss on ordinary activities after taxation for the year as being £76,880 (2019: £100,692). At the year end, the net assets of the company amounted to £961,175 (2019: £965,653).

The turnover of the company for the year is £2,168,360 (2019: £2,031,154). The company's investment strategy, which focuses on its expertise in mid-small cap and value investments, overperformed its peers. The performance over the relevant benchmarks had a positive impact on the turnover.

The assets under management as at 31 December 2020 are £219 million (2019: £174 million). The company during the year has launched several new strategies, targeted new investors and, ultimately, increased the assets under management.

The rationalisation of the business lines has continued and the focus in the coming years will be on increasing the revenues through the growth of the asset.

Financial markets, after consistent declines in March, reported a strong rebound during the year, with the US and emerging countries outperforming the European indexes. Accommodative central banks policies and the consequent abundance of liquidity to sustain the economies hit by the Covid pandemic, benefited the asset prices.

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The Senior Management team takes overall responsibility for this process and the fundamental risk appetite of the company. The team has responsibility for the implementation and enforcement of the company's risk principles.

Senior Management meets on a regular basis and discusses current projections for profitability, cash flow, and business planning and risk management. Senior Management engage in the company's risks through a framework of policy and procedures having regard to the relevant laws, standards, principles and rules (including Financial Conduct Authority principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The Senior Management team has identified that business, operational, market and credit are the main areas of risk to which the company is exposed. Annually the Senior Management team formally review their risks, controls and other risk mitigation arrangements and assess their effectiveness.

**Business risk**

The company's revenue is reliant on the performance of the existing funds under management and its ability to launch new funds/obtain new mandates. As such, the risk posed to the company relates to under performance resulting in a decline in revenue and adverse market conditions hindering the launch of new funds and ultimately the risk of redemption from the funds managed by the company. This risk is mitigated by the significant levels of capital held by the company which will continue to cover all the expenses of the business.

**Operational risk**

The company places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The company has identified a number of key operational risks to manage. These relate to systems failure, failure of a third party provider, potential for serious regulatory breaches, and market abuse. Appropriate policies are in place to mitigate against these risks, which includes taking out adequate professional indemnity insurance, compliance training for employees and business continuity planning.

**Credit risk**

The company is exposed to credit risk in respect of its debtors, investment management and performance fees billed and cash held on deposit.

Management fees are drawn monthly or quarterly from the funds managed and performance fees are drawn quarterly or annually where applicable. The company considers that there is little risk of default by its clients. All bank accounts are held with large international credit institutions.

**Market risk**

The company takes no market risk other than foreign exchange risk in respect of its accounts receivable and cash balances held in currencies other than Sterling.

Since the company takes no trading book positions on its balance sheet, the primary market risk relates to fluctuations in the value of its revenues due to movements in currency rates. The firm maintains multi-currency bank accounts and uses currency contracts to hedge this risk.

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**SECTION 172(1) STATEMENT**

The directors considered and established the necessary process to ensure that the company meets the requirements of The Companies (Miscellaneous Reporting) Regulations 2018 ("the Regulations") which came into effect on 1 January 2019.

These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

As part of their induction, directors are briefed on their duties. In addition, they can access professional advice either from the company secretary or from an independent adviser, if the directors judge it necessary.

The following summarise how the directors fulfill their duties:

**The likely consequences of any decision in the long term**

The company's long term objective is to offer a broader range of investment strategies and products, each one generating top quartile risk-adjusted returns.

**Employees**

The directors are committed to providing an environment that encourages involvement of all employees. Regular briefings through meetings keeps all the employees up to date with employment practices and health and safety, as well as the business aims of the company.

The directors and other key employees (i.e. Investment professionals) of the company participate in a discretionary profit share scheme as an incentive for long term commitment to the organisation.

**The company's business relationships with suppliers, customers and others**

The company has a diversified clientèle with whom contractual agreements are in place. The directors maintain close client relationships by providing excellent service.

The company's suppliers are fundamental to the business success and have multi-year contracts with the key suppliers.

The company operates in regulated markets and looks to maintain positive and open relationships with the relevant regulators.

The company reputation is effectively protected through its robust and well structured operational and control infrastructure and the experience of its staff.

**Risk management**

The directors provide services to clients, in a highly regulated environment. It is therefore vital that the directors effectively identify, evaluate, manage and mitigate the risk factors the company faces. For further details see principal risk and uncertainties and how the company manage for risk environment.

**Shareholders**

The directors are committed to openly engaging with the shareholders. It is important that the shareholders understand the company's strategy, objectives and performances and have their feedback and consider any issues raised.

**Maintaining a reputation for high standards of business conduct**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

The company's ethical code of conduct is a formal statement of business standards, practices and procedures which is issued to all directors and employees and forms an integral part of their contract of employment with the company.

**Environment and Community**

The directors recognise the importance of its role in managing social, economic and environmental issues in the course of running its business. The directors seek to co-ordinate and manage practices to maximise positive social and economic contribution and minimise the environmental impacts of its business, establishing positive impacts on the environment, our clients and employees.

**KEY PERFORMANCE INDICATORS**

The Company manages the business by reference to key performance indicators, the principal indicators are as follows:

Operating margins: 67.09% (2019: 79.20%) (gross profit/sales)

Liquidity ratio: 2.41 (2019: 5.51) (current assets/current liabilities)


Assets Under Management: £219 million (2019: £174 million)

The directors consider the company to be well financed at the year end.

The key non-financial performance indicators of the company are client service and satisfaction, and stakeholder relationships. The directors review the performance with constant feedback from clients and stakeholders.

The directors will continue to monitor the company's performance and have no plans for changes to the strategic objectives of the company in the foreseeable future.

**ON BEHALF OF THE BOARD:**



F C De Tomasi - Director

23rd April 2021

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31st December 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of providing both individual and collective management services for private and institutional investors, financial and capital management consultancy, and managed investment solutions.

The company is authorised and regulated by The Financial Conduct Authority.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2020.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2020 to the date of this report.

F C De Tomasi  
C De Ranieri

Other changes in directors holding office are as follows:

Ms M Bracali - resigned 28th February 2020  
M Massimilla - appointed 5th February 2020

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The directors have identified the principal risks and uncertainties facing the company and are disclosed in the Strategic Report.

**PILLAR 3 DISCLOSURES**

Disclosures will be issued on an annual basis, at a minimum, and will be made available on the company's website.

**DIRECTORS INDEMNITY INSURANCE**

The company has directors' indemnity insurance policy for the current and the previous year.

**EVENTS AFTER THE YEAR END**

The outlook for the year 2021 is cautiously positive. The company is in a good position in terms of financial strength and can benefit from its proven investment strategy.



**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**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.

**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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Stein Richards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



F C De Tomasi - Director

23rd April 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ALBEMARLE ASSET MANAGEMENT LIMITED**

**Opinion**

We have audited the financial statements of Albemarle Asset Management Limited (the 'company') for the year ended 31st December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and 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 31st December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

**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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ALBEMARLE ASSET MANAGEMENT LIMITED**

**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**  
**ALBEMARLE ASSET MANAGEMENT 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:

Discussions were held with and enquiries made with the management with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with that team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being a significance to the entity.

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, company law, tax and pensions legislation.

- Those laws and regulations for which non compliance may be fundamental to the operating aspects of the company and therefore may have a material effect on the financial statements include compliance with Financial Conduct Authority (FCA) relating to designated investment business.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; enquiries with the compliance officer to ensure the entity complies with the FCA registration and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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**  
**ALBEMARLE ASSET MANAGEMENT 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.



Robert Nissen F.C.A. (Senior Statutory Auditor)  
for and on behalf of Stein Richards  
Chartered Accountants and Statutory Auditor  
10 London Mews  
Paddington  
London  
W2 1HY

23rd April 2021

**ALBEMARLE ASSET MANAGEMENT LIMITED (REGISTERED NUMBER: 04745029)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
<b>TURNOVER</b>	3	<b>2,168,360</b>	2,031,154
Cost of sales		<u>713,603</u>	<u>422,575</u>
<b>GROSS PROFIT</b>		<b>1,454,757</b>	1,608,579
Administrative expenses		<u>1,552,827</u>	<u>1,746,477</u>
<b>OPERATING LOSS</b>	6	<b>(98,070)</b>	(137,898)
Interest receivable and similar income		-	1,006
		<u>(98,070)</u>	<u>(136,892)</u>
Gain on revaluation of investments		-	16,250
		<u>(98,070)</u>	<u>(120,642)</u>
Interest payable and similar expenses	7	9	-
<b>LOSS BEFORE TAXATION</b>		<b>(98,079)</b>	(120,642)
Tax on loss	8	<b>(21,199)</b>	(19,950)
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(76,880)</b>	(100,692)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(76,880)</b>	(100,692)

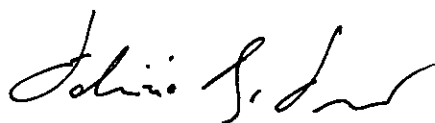
The notes form part of these financial statements

**ALBEMARLE ASSET MANAGEMENT LIMITED (REGISTERED NUMBER: 04745029)**

**STATEMENT OF FINANCIAL POSITION**  
**31ST DECEMBER 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		6,919		9,694
Investments	11		124,250		124,250
			<u>131,169</u>		<u>133,944</u>
<b>CURRENT ASSETS</b>					
Debtors	12	1,122,764		728,968	
Cash at bank		292,010		287,195	
		<u>1,414,774</u>		<u>1,016,163</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	584,768		184,454	
		<u>584,768</u>		<u>184,454</u>	
<b>NET CURRENT ASSETS</b>			<u>830,006</u>		<u>831,709</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>961,175</u>		<u>965,653</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		1,000,000		950,000
Share premium			22,402		-
Capital redemption reserve			50,000		50,000
Retained earnings			(111,227)		(34,347)
			<u>961,175</u>		<u>965,653</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>961,175</u>		<u>965,653</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 23rd April 2021 and were signed on its behalf by:



F C De Tomasi - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1st January 2019</b>	950,000	667,715	-	50,000	1,667,715
<b>Changes in equity</b>					
Dividends	-	(601,370)	-	-	(601,370)
Total comprehensive loss	-	(100,692)	-	-	(100,692)
<b>Balance at 31st December 2019</b>	<u>950,000</u>	<u>(34,347)</u>	<u>-</u>	<u>50,000</u>	<u>965,653</u>
<b>Changes in equity</b>					
Issue of share capital	50,000	-	22,402	-	72,402
Total comprehensive loss	-	(76,880)	-	-	(76,880)
<b>Balance at 31st December 2020</b>	<u><u>1,000,000</u></u>	<u><u>(111,227)</u></u>	<u><u>22,402</u></u>	<u><u>50,000</u></u>	<u><u>961,175</u></u>

The notes form part of these financial statements



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	4,824	(551,197)
Interest paid		(9)	-
Tax paid		-	120,813
Net cash from operating activities		<u>4,815</u>	<u>(430,384)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(2,986)
Interest received		-	1,006
Net cash from investing activities		<u>-</u>	<u>(1,980)</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		-	(601,370)
Net cash from financing activities		<u>-</u>	<u>(601,370)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>4,815</u>	<u>(1,033,734)</u>
<b>Cash and cash equivalents at beginning of year</b>	21	<u>287,195</u>	<u>1,320,929</u>
<b>Cash and cash equivalents at end of year</b>	21	<u><u>292,010</u></u>	<u><u>287,195</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

1. **STATUTORY INFORMATION**

Albemarle Asset Management Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

However due to the uncertainties surrounding the Covid-19 virus at the time of approval of these accounts the directors believe it is difficult to establish the impact this may have on the business.

**Turnover**

Fee income includes management fees, advisory and consultancy fees, performance fees and execution fees.

Management fees, execution fees and advisory fees are recognised in the accounting period in which the associated investment management services are provided.

Performance fees are recognised when the prescribed performance benchmarks have been achieved and it is probable that the fee will crystallise as a result.

Consultancy fees are recognised on a straight-line basis over the contract term.

Fees receivable are accounted for on an accruals basis.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold property	- over 5 years
Fixtures, Fittings & Equipment	- 20% straight line
Computer equipment	- 25% straight line

**Financial instruments**

All financial assets and liabilities are initially measured at transaction price, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 YEAR ENDED 31ST DECEMBER 2020**

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to the local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. However deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position dates.

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs**

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in other creditors as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Fixed asset investments**

Fixed asset investments are valued at fair value. Changes in the fair value are recognised in profit and loss account.

**Cash and cash equivalent**

For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand and deposits held on call with the banks, all of which are available for use by the company unless otherwise stated.

**Fair value measurement**

The best evidence of fair value is a price for an identical asset in an active market. When prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	<b>31.12.20</b>	31.12.19
	£	£
United Kingdom	<b>37,000</b>	6,000
Europe	<b>2,131,360</b>	2,025,154
	<u><b>2,168,360</b></u>	<u>2,031,154</u>

**4. EMPLOYEES AND DIRECTORS**

	<b>31.12.20</b>	31.12.19
	£	£
Wages and salaries	<b>841,593</b>	892,807
Social security costs	<b>106,228</b>	125,188
Other pension costs	<b>42,650</b>	54,617
	<u><b>990,471</b></u>	<u>1,072,612</u>

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

	<b>31.12.20</b>	31.12.19
Fund management	<b>7</b>	8
Administration	<b>1</b>	2
	<u><b>8</b></u>	<u>10</u>

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees and a director. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £42,650 (2019: £54,617).

The above disclosure includes the directors of the company.

**5. DIRECTORS' EMOLUMENTS AND KEY MANAGEMENT COMPENSATION**

	<b>31.12.20</b>	31.12.19
	£	£
Directors' remuneration	<b>452,944</b>	482,677
	<u><b>452,944</b></u>	<u>482,677</u>

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

Money purchase schemes	<u><b>3</b></u>	<u>3</u>
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**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**5. DIRECTORS' EMOLUMENTS AND KEY MANAGEMENT COMPENSATION - continued**

Information regarding the highest paid director is as follows:

	31.12.20	31.12.19
	£	£
Emoluments etc	<u>169,962</u>	<u>225,392</u>

The directors of the company are considered to be the key management personnel of the company. The benefits comprises of salary and bonuses earned during the current and the previous year.

**6. OPERATING LOSS**

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

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	2,775	493
Auditors' remuneration	11,900	12,400
Foreign exchange differences	(10,312)	44,372
Fees to Auditors' for accounting services	<u>4,000</u>	<u>2,300</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.20	31.12.19
	£	£
Bank loan interest	<u>9</u>	<u>-</u>

**8. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	31.12.20	31.12.19
	£	£
Current tax: UK corporation tax	<u>(21,199)</u>	<u>(19,950)</u>
Tax on loss	<u>(21,199)</u>	<u>(19,950)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**8. TAXATION - continued**

**Reconciliation of total tax credit included in profit and loss**

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

	31.12.20	31.12.19
	£	£
Loss before tax	<u>(98,079)</u>	<u>(120,642)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(18,635)	(22,922)
Effects of:		
Expenses not deductible for tax purposes	550	4,112
Capital allowances in excess of depreciation	(20)	(1,140)
Adjustments to tax charge in respect of previous periods	<u>(3,094)</u>	<u>-</u>
Total tax credit	<u>(21,199)</u>	<u>(19,950)</u>

The main rate of corporation tax currently is 19% and it will remain at that rate until 1 April 2023 when the rate will increase to 25% for companies with profits over £250,000. The 19% rate will become a small profits rate payable by companies with profits of £50,000 or less. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief, providing a gradual increase in the effective corporation tax rate.

**9. DIVIDENDS**

	31.12.20	31.12.19
	£	£
Ordinary shares of £1 each		
Final	<u>-</u>	<u>601,370</u>

**10. TANGIBLE FIXED ASSETS**

	Short leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1st January 2020 and 31st December 2020	<u>9,755</u>	<u>41,142</u>	<u>32,503</u>	<u>83,400</u>
<b>DEPRECIATION</b>				
At 1st January 2020	2,521	41,048	30,137	73,706
Charge for year	<u>1,951</u>	<u>38</u>	<u>786</u>	<u>2,775</u>
At 31st December 2020	<u>4,472</u>	<u>41,086</u>	<u>30,923</u>	<u>76,481</u>
<b>NET BOOK VALUE</b>				
At 31st December 2020	<u>5,283</u>	<u>56</u>	<u>1,580</u>	<u>6,919</u>
At 31st December 2019	<u>7,234</u>	<u>94</u>	<u>2,366</u>	<u>9,694</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**11. FIXED ASSET INVESTMENTS**

Investments (neither listed nor unlisted) were as follows:

	31.12.20	31.12.19
	£	£
Paintings	118,250	118,250
Antique books	6,000	6,000
	<u>124,250</u>	<u>124,250</u>

The directors have no intention of selling these in the near future.

**12. DEBTORS**

	31.12.20	31.12.19
	£	£
Amounts falling due within one year:		
Trade debtors	794,128	507,879
Other debtors	354	-
Tax	41,149	19,950
VAT	13,892	21,719
Called up share capital not paid	72,402	-
Prepayments and accrued income	129,019	107,600
	<u>1,050,944</u>	<u>657,148</u>

Amounts falling due after more than one year:

Other debtors	<u>71,820</u>	<u>71,820</u>
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Aggregate amounts	<u>1,122,764</u>	<u>728,968</u>
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**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Trade creditors	470,182	101,445
Social security and other taxes	29,231	33,402
Other creditors	-	6,899
Accrued expenses	85,355	42,708
	<u>584,768</u>	<u>184,454</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**14. LEASING AGREEMENTS**

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

	<b>31.12.20</b>	31.12.19
	<b>£</b>	<b>£</b>
Within one year	<b>119,700</b>	119,700
Between one and five years	<b>204,487</b>	324,188
	<b><u>324,187</u></b>	<u>443,888</u>

**15. FINANCIAL INSTRUMENTS**

The financial assets measured at amortised cost as at 31 December 2020 are in the sum of £1,067,723 (2019: £687,299).

The financial assets measured at fair value as at 31 December 2020 are in the sum of £124,250 (2019: £124,250).

The financial liabilities measured at amortised cost as at 31 December 2020 are in the sum of £555,537 (2019: £151,052).

The financial assets measured at fair value are paintings and antique books.

**16. CALLED UP SHARE CAPITAL**

Allotted and issued:

Number:	Class:	Nominal value:	<b>31.12.20</b>	31.12.19
			<b>£</b>	<b>£</b>
1,000,000 (31.12.19 - 950,000)	Share capital	£1	<b>1,000,000</b>	950,000

50,000 Ordinary shares of £1 each were allotted at a premium of 0.44804p per share during the year.

**17. ULTIMATE PARENT COMPANY**

At the balance sheet date, Alma Grand S.A., a company incorporated in Luxembourg, was the immediate and ultimate parent company of Albemarle Asset Management Limited for the current and the previous year

The ultimate controlling party is Mr. Umberto Borghesi by virtue of his shareholding in Alma Grand S.A.

**18. RELATED PARTY DISCLOSURES**

During the year management, performance and retrocession fees of £1,758,174 (2019: £1,430,782) were receivable from a company in which a key management personnel who is also a director. The balance owed to the company at the year end is £544,384 (2019: £221,845).

During the year, a total of key management personnel compensation of £452,944 (2019 - £482,677) was paid.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

19. **SUBSEQUENT EVENTS**

During the year a small number of former clients have brought claims against the company which are at a 'pre-action' stage.

These claims are made against investment advisory services provided by a former director of the company. The company no longer provides these services as these are not in line with its core business activities.

Following the receipt of legal advice, the company contends that the claims have no merit and therefore no provision has been made in the accounts.

20. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.20	31.12.19
	£	£
Loss before taxation	(98,079)	(120,642)
Depreciation charges	2,775	493
Gain on revaluation of fixed assets	-	(16,250)
Finance costs	9	-
Finance income	-	(1,006)
	<u>(95,295)</u>	<u>(137,405)</u>
Increase in trade and other debtors	(300,195)	(216,345)
Increase/(decrease) in trade and other creditors	400,314	(197,447)
	<u>4,824</u>	<u>(551,197)</u>

21. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31st December 2020**

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>292,010</u>	<u>287,195</u>

**Year ended 31st December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>287,195</u>	<u>1,320,929</u>

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

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>287,195</u>	<u>4,815</u>	<u>292,010</u>
	<u>287,195</u>	<u>4,815</u>	<u>292,010</u>
<b>Total</b>	<u>287,195</u>	<u>4,815</u>	<u>292,010</u>

**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

	31.12.20		31.12.19	
	£	£	£	£
<b>Turnover</b>				
Performance fees	354,994		207,859	
Advisory fees and consultancy fees	110,383		34,664	
Management fees	1,555,185		1,709,608	
Execution Fees	147,798		79,023	
	<hr/>	2,168,360	<hr/>	2,031,154
<b>Cost of sales</b>				
Commission payable	516,268		379,009	
Consultancy fees	158,628		-	
Research Fees	38,707		43,566	
	<hr/>	713,603	<hr/>	422,575
<b>GROSS PROFIT</b>		1,454,757		1,608,579
<b>Other income</b>				
Interest receivable		-		1,006
		<hr/>		<hr/>
		1,454,757		1,609,585
<b>Expenditure</b>				
Rent and rates	196,918		192,611	
Insurance	24,967		22,701	
Light and heat	2,603		3,267	
Directors' salaries	452,944		482,677	
Wages and salaries	388,649		410,130	
Employers NI	106,228		125,188	
Pensions	42,650		54,617	
Telephone and Internet service	2,249		2,978	
Printing, postage & stationery	842		3,368	
Data subscription services	122,416		108,072	
Repairs and renewals	156		196	
Cleaning	4,569		6,753	
Staff Welfare	2,670		4,694	
VAT on expenses	219		932	
General expenses	2,249		2,287	
Accountancy	3,500		1,800	
Legal and Professional Fees	46,799		33,939	
Regulatory and compliance cost	64,699		87,310	
Auditors' remuneration	11,900		12,400	
Donations	-		1,060	
Foreign exchange (gains)/ losses	(10,312)		44,372	
Entertainment	2,893		21,643	
Travelling expenses	9,028		47,965	
Computer support and maintenance	69,972		72,233	
	<hr/>	1,548,808	<hr/>	1,743,193
Carried forward		(94,051)		(133,608)

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**ALBEMARLE ASSET MANAGEMENT LIMITED (REGISTERED NUMBER: 04745029)**

**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

	31.12.20		31.12.19	
	£	£	£	£
Brought forward		(94,051)		(133,608)
<b>Finance costs</b>				
Bank charges	1,244		2,791	
Bank loan interest	9		-	
	<u>          </u>	1,253	<u>          </u>	2,791
		(95,304)		(136,399)
<b>Depreciation</b>				
Short leasehold property	1,951		(232)	
Fixtures and fittings	38		38	
Computer equipment	786		687	
	<u>          </u>	2,775	<u>          </u>	493
		(98,079)		(136,892)
<b>Gain/loss on revaluation of assets</b>				
Gain on revaluation of investments		-		16,250
		<u>          </u>		<u>          </u>
<b>NET LOSS</b>		<u><u>(98,079)</u></u>		<u><u>(120,642)</u></u>

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