

Company Registration No. 01802101

THESIS ASSET MANAGEMENT LIMITED

**Report and Financial Statements
30 April 2024**

Report and Financial Statements 30 April 2024

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THEISIS ASSET MANAGEMENT LIMITED

Report and Financial Statements 30 April 2024

Officers and Professional Advisers

Directors

N C Palios
D W Tyerman
M J T Hoggarth
S R Mugford
D K Mytnik
V R Smith

Secretary

Irwin Mitchell Secretaries Limited

Registered Office

Exchange Building
St John's Street
Chichester
West Sussex
PO19 1UP

Banker

Royal Bank of Scotland
PO Box 412
62-63 Threadneedle Street
London
EC2R 8LA

Solicitor

Irwin Mitchell LLP
Riverside East
2 Millsands
Sheffield
South Yorkshire
S3 8DT

Auditor

Grant Thornton LLP
30 Finsbury Square
London
EC2A 1AG

THEESIS ASSET MANAGEMENT LIMITED

Strategic Report

The directors present the Strategic Report for the year ended 30 April 2024.

Principal Activities

Thesis Asset Management Limited ("Thesis") is authorised and regulated by the Financial Conduct Authority ("FCA") for the provision of investment management services.

The Company has two principal business lines.

- Thesis is appointed on discretionary fund management mandates by two professional clients, its sister entities Thesis Unit Trust Management Limited ("Tutman") and TUTMAN LLP ("LLP"). Thesis provides advice on asset allocation, stock selection and currency hedging on these mandates. The assets of the funds are held by the global custodian appointed by the fund depository.
- Thesis provides a custody and trade execution service for wealthy families and high net worth individuals, or their advisors. Client assets are registered in the name of a nominee company, Thesis Nominees Limited. Thesis has all the necessary permissions from its regulator for the safeguarding of such assets.

The Company earns the majority of its income from ad valorem fees.

Fair Review of Performance

Results

The Company reported a profit before tax of £259,471 (2023: £57,704).

At 30 April 2024, funds under management were £2.69bn compared to £2.41bn at 30 April 2023.

Performance

The 12% rise in funds under management during the year was a result of rising markets and 3 new fund appointments from Tutman. Turnover rose by 3% to £3,333,502 (2023: £3,241,737) and gross profit by 4% to £2,765,631 (2023: £2,659,656).

Overheads were £2,706,942 for the year, almost unchanged from the prior year spend of £2,703,410. Some of the significant changes to overheads are discussed later in the report.

The Company continues to be cash generative and has been able to benefit from the higher level of interest rates available during the year, increasing significantly the interest earned on its own funds to £168,273 (2023: £37,451).

Key Performance Indicators

The primary driver of growth for the business is its funds under management figure, as almost all revenue earned is calculated on an ad valorem basis. Growth in funds under management can be achieved both through additional investment received into existing portfolios, or through winning new clients and fund mandates. The Company measures its performance against the Key Performance Indicators listed below.

	2024	2023
	£	£
Turnover		
Discretionary Fund Management	2,763,810	2,721,868
Custody and Trade Execution Services	519,692	475,821
Other income	50,000	44,048
Total	3,333,502	3,241,737
Funds Under Management		
Discretionary Fund Management	1,826,544,146	1,715,275,726
Custody and Trade Execution Services	859,421,017	694,300,445
Total	2,685,965,163	2,409,576,171

Strategic Report (continued)

Fair Review of Performance (continued)

As part of its oversight of the business, the Board routinely reviews a range of other measures including cash generation, revenue yield and regulatory capital requirements.

Corporate Governance

The Board has ultimate responsibility for oversight of the business. Management of the business and its operations is the responsibility of the Chief Executive Officer ("CEO"), supported by the Management Committee. This committee meets monthly and is chaired by the Finance Director. The Board is supported by 3 sub-committees, each performing oversight on important business functions.

Board Committees

The Board has the following sub-committees:

Audit and Risk Committee: this committee supports the Board by examining the appropriateness and effectiveness of systems and controls and the arrangements made by management to ensure compliance with regulatory obligations and standards. It receives reports from first and second line teams and also from the external auditors.

Remuneration and Nominations committee: this committee is responsible for defining the overall strategy for remuneration within the group, and specifically for approving the remuneration arrangement and awards for executive directors and senior managers. The committee also has responsibility for succession planning for the executive directors and takes an active role in the recruitment of any new directors.

Technology Working Group: this working group is responsible for reviewing developments in technology and its application to the group and for defining a strategy against which all future project proposals will be assessed.

Principal Risks and Uncertainties

Risk Management

The Company operates a fully documented risk framework designed to ensure controls exist to preserve both the financial strength and the reputation of the Company and to meet regulatory obligations.

Uncertainties

The Company has assessed the categories of risk to which it is exposed and has developed formal risk appetite statements for each category. These are reviewed and approved at least annually by the Board.

The individual risks which have been identified are documented in a risk register together with the controls implemented to mitigate the severity or frequency of each assessed risk. The effectiveness of these controls is monitored and reported throughout the year. The risk function meets regularly with the risk owners to identify emerging risks and any other changes within the business that need to be reflected in the risk register.

The business model and strategy of the Company have remained unchanged this year and, consequently, so too have the principal risks faced. These are discussed further in note 12 to the financial statements.

Events During the Year

As part of its drive to improve the protections for investors, the FCA has introduced the Consumer Duty rules. These took effect on 31 July 2023. The Board approved a project implementation plan and the appointment of a Consumer Duty Champion in October 2022 and received regular updates relating to the key priorities and milestones on the plan.

The project plan comprised 12 distinct work streams and was implemented by a Consumer Duty Working Group, which built upon and expanded existing practices.

Both the Board and the management group receive and review management information on a regular basis. Overheads remained stable during the year despite significant pay increases to reflect the cost of living crisis and generally high levels of inflation. The Company offset these increases through other measures such as expanding the use of a sub-custodian to use their dealing service and the completion of a Transaction reporting project which enabled the reduction in temporary staff costs.

Strategic Report (continued)

Future Developments in the Business

Growth

The company has a pipeline of new business. New business is expected both from Tutman and from retail clients using the custody and execution service.

Section 172(1) Statement

The directors have a duty to promote the success of the Company and to act in a way that benefits the members as a whole. In doing so the directors endeavour to consider the interests of all stakeholders. The information below demonstrates the ways in which they have done so. It is structured to reflect the matters set out in s172 (a) to (f) and represents the Directors' statement required under s414CZA of the Companies Act 2006.

Section 172 requirement

(a) The likely consequences of any decision in the long term.

Examples of how the Board has addressed this

The Board is collectively responsible for managing the affairs of the Company to achieve its long term prosperity by making important decisions.

(b) The interests of the company's employees

- The Board reviewed and approved the annual budget and capital plan together with a recruitment proposal for the year ahead.
- The business completed the wind down of its offshore nominee service, Thesis (Guernsey) Limited, which was formally dissolved on 10 May 2023.
- The Board approved a plan to respond to the shortening of the trade settlement cycle to 1 day in US, Canada and selected other markets.

(c) The need to foster the company's business relationships with suppliers, customers and others

- The business approved an interim bonus award to staff in December 2023.
- Personal and professional development was supported across the business through the use of internal courses, external training and CISI desk based training.
- The CEO meets annually with each member of staff to share news on the Company's performance and hear any concerns each individual might have.

(d) The impact of the company's operations on the community and the environment

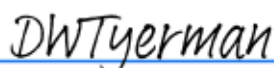
- The Company maintains a policy of prompt payment of suppliers once invoices are received and approved.
- Initial and ongoing due diligence and service oversight processes are in place for key outsourcing relationships, especially an appointed sub-custodian.
- The business continued its policy of flexible home working, allowing staff, as far as possible, to determine the appropriate proportion of time to be spent in the office.
- The Company encourages employees to contribute to community and charity events and has policies in place to support these activities.

Strategic Report (continued)

Section 172(1) Statement (continued)

Section 172 requirement	Examples of how the Board has addressed this
(e) The desirability of the company maintaining a reputation for high standards of business conduct.	<ul style="list-style-type: none">• Staff receive annual training on conduct, business standards, integrity and ethics.• The Board regularly commissions external consultants or law firms to provide expert input on selected topics. These ensure that the Company's procedures remain up to date and in line with the very best market practice.
(f) The need to act fairly as between members of the company.	<ul style="list-style-type: none">• The Company's ordinary shares are all held by Thesis Holdings Limited and are not listed.

Approved by the Board of Directors and signed on behalf of the Board on 31 July 2024.



[DWTyerman \(Jul 31, 2024 16:33 GMT+1\)](#)

D W Tyerman

Director
Exchange Building
St John's Street
Chichester
West Sussex
PO19 1UP

Directors' Report

The directors present their annual report and the audited financial statements of Thesis Asset Management Limited ("the Company") for the year ended 30 April 2024.

Going Concern

A significant proportion of the Company's revenue is based on an ad valorem calculation based on its funds under management. As explained in the strategic report, funds under management rose during the year and that is reflected in the gross profit, which rose by 4% to £2,765,631 (2023: £2,659,656).

The Company continues to be cash generative and has been able to benefit from the higher level of interest rates available during the year, increasing significantly the interest earned on its own funds to £168,273 (2023: £37,451). As a result, profit before tax increased significantly to £259,471 (2023: £57,704).

The Group has a loan for £18.2m which is due for repayment on the 1 August 2024. Agreement has been reached with the lender to extend the payment date to 31 December 2024 and the Board has begun discussions with a number of potential lenders to refinance the loan. Following positive feedback from those lenders the Directors are confident they can complete the refinancing in time to meet the revised repayment date of the loan. They also note that due to the significant cash balances held it would be possible to effect the repayment of the loan from existing reserves if that was required.

The Board has reviewed critically the budget and financial projections for the Company for the next 12 months and beyond, including its cashflows and liquidity position. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

Results and Dividends

The results for the year are set out in the profit and loss account on page 12. The Company's result for the year was a profit after tax of £262,613 (2023: a profit of £50,615).

The directors do not propose the payment of a dividend for 2024 (2023: Nil).

Directors

The directors who held office throughout the year, and to the date of signing the financial statements, are set out on page 1.

Disclosure of Information to Auditor

The directors confirm that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditor

The auditor Grant Thornton UK LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board on 31 July 2024.


DWTyerman (Jul 31, 2024 16:33 GMT+1)

D W Tyerman

Director
Exchange Building
St John's Street
Chichester
West Sussex
PO19 1UP

Directors' Responsibility Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102, 'the Financial Reporting Standard applicable in the UK and Republic of Ireland').

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Approved by the Board of Directors and signed on behalf of the Board on **31** July 2024.



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D W Tyerman
Director
Exchange Building
St John's Street
Chichester
West Sussex
PO19 1UP

Independent auditor's report to the members of Thesis Asset Management Limited

Opinion

We have audited the financial statements of Thesis Asset Management Limited (the 'company') for the year ended 30 April 2024, which comprise of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 30 April 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as rising inflation, global supply chain risks and the impact of the Russian invasion of Ukraine, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Thesis Asset Management Limited (continued)

Other information (continued)

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 as applied to the Company;

Independent auditor's report to the members of Thesis Asset Management Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- We enquired of the directors and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's meeting minutes, inspection of the breaches register, and inspection of legal and regulatory correspondence to the regulator, the Financial Conduct Authority (the 'FCA');
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - Evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - Testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
 - Challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement leader's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the Company operates;
 - Understanding of the legal and regulatory frameworks applicable to the Company.
- We communicated relevant laws and regulations and potential fraud risks to all the engagement team members, and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the company's operations, including the nature of its investments, sources of income, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
 - the company's control environment to mitigate risks of fraud or non-compliance with the relevant laws and regulations.

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. This description forms part of our auditor's report.

Independent auditor's report to the members of Thesis Asset Management Limited (continued)

Use of our report

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

Marcus Swales

[Marcus Swales \(Jul 31, 2024 17:27 GMT+1\)](#)

Marcus Swales

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

31 July 2024

Profit and Loss Account and Other Comprehensive Income

Year Ended 30 April 2024

	Note	2024 £	2023 £
Turnover	2	3,333,502	3,241,737
Cost of sales		<u>(567,871)</u>	<u>(582,081)</u>
Gross Profit		2,765,631	2,659,656
Operating and administrative expenses	3	<u>(2,706,942)</u>	<u>(2,703,410)</u>
Operating Profit / (loss)		58,689	(43,754)
Interest receivable and similar income	6	<u>200,782</u>	<u>101,458</u>
Profit on ordinary activities before taxation		259,471	57,704
Tax on profit on ordinary activities	7	<u>3,142</u>	<u>(7,089)</u>
Profit for the year		<u><u>262,613</u></u>	<u><u>50,615</u></u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income / (expense) for the year		<u><u>262,613</u></u>	<u><u>50,615</u></u>

The notes on pages 15 to 23 form an integral part of the financial statements.

THESIS ASSET MANAGEMENT LIMITED**Balance Sheet****At 30 April 2024**

		2024	2022
		£	£
	Note		
CURRENT ASSETS			
Debtors	8	307,840	332,293
Cash at bank and in hand		3,902,534	3,683,019
		<u>4,210,374</u>	<u>4,015,312</u>
Creditors: amounts falling due within one year	9	<u>(278,427)</u>	<u>(314,548)</u>
NET CURRENT ASSETS		<u>3,931,947</u>	<u>3,700,764</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,931,947</u>	<u>3,700,764</u>
Creditors: amounts falling due after more than one year		-	-
Provision for liabilities	10	-	(31,430)
NET ASSETS		<u>3,931,947</u>	<u>3,669,334</u>
CAPITAL AND RESERVES			
Called up share capital	15	3,503,569	3,503,569
Equity reserve		647,734	647,734
Profit and loss account		<u>(219,356)</u>	<u>(481,969)</u>
TOTAL SHAREHOLDERS' FUNDS		<u>3,931,947</u>	<u>3,669,334</u>

The notes on pages 15 to 23 form an integral part of the financial statements.

The financial statements of Thesis Asset Management Limited (registered number 01802101) were approved by the Board of Directors and authorised for issue on 31 July 2024.

Signed on behalf of the Board of Directors


DWTyerman (Jul 31, 2024 16:33 GMT+1)

D W Tyerman
Director

Notes to the Accounts

1. Accounting Policies

Basis of Preparation

Thesis Asset Management Limited ("Thesis") is a company limited by shares and incorporated and domiciled in the United Kingdom.

The financial statements are prepared in accordance with Financial Reporting Standard 102, the financial reporting standard applicable in the UK and the Republic of Ireland. The presentation currency of the financial statements is sterling. The financial statements are prepared on the historical cost basis.

The Company has taken advantage of the provisions of s400 of the Companies Act 2006 not to prepare group accounts as its results are fully included in the accounts of its ultimate parent, Regit Topco Limited, a company incorporated in Jersey.

The Company's ultimate parent undertaking, Regit Topco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Regit Topco Limited are prepared in accordance with FRS102 and are available to the public from 44 Esplanade, St Helier, Jersey JE4 9WG. In these financial statements the Company is considered a qualifying entity and has applied the exemptions available under FRS102 in respect of the following disclosures:

- Reconciliation of the number of shares from the beginning to the end of the period;
- Cash flow statement and related notes; and
- Key Management Personnel compensation

The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior year.

Going Concern

As noted in the Directors' Report, the Company has prepared a multi-year forecast of its financial position, including its projected liquidity and regulatory capital position. This forecast has been used to analyse the impact of a number of adverse scenarios, including any additional market volatility and the impact of rising inflation on its fixed overheads. These scenarios are intended to help the Directors determine whether there are any material uncertainties that could cast doubt on the ability of the Company to continue as a going concern.

The Group has a loan for £18.2m which is due for repayment on the 1 August 2024. Agreement has been reached with the lender to extend the payment date to 31 December 2024 and the Board has begun discussions with a number of potential lenders to refinance the loan. Following positive feedback from those lenders the Directors are confident they can complete the refinancing in time to meet the revised repayment date of the loan. They also note that due to the significant cash balances held it would be possible to effect the repayment of the loan from existing reserves if that was required.

The Directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least the next 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Basic Financial Instruments

Trade and Other Debtors/Creditors

Trade and other debtors are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at cost less any impairment losses.

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Other Financial Instruments

The Company did not hold any non-basic financial instruments during the period.

Notes to the Accounts (continued)

1. Accounting Policies (continued)

Taxation

Taxation comprises current and deferred tax. Taxation is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents the amounts derived from the management of client assets falling within the Company's ordinary activities.

Income is recognised on an accruals basis with the exception of brokerage income and income derived from unit dealing, each of which is accounted for on a trade date basis, and trail commission, which is recognised on a cash basis.

Income accruals are made at each year end in respect of annual portfolio and fund management fees. These are calculated for each fund or portfolio for the period since the last charging date, based on the rate applicable to each and the most recent valuation.

All income excludes value added tax.

Other Income

Rental income is accrued on a time basis by reference to the lease agreement.

Other operating profit represents back office and custodian services provided to Sanlam UK Limited during the transition period following the sale of the private client business. Income is recognised on an accruals basis and is included within discontinued operations.

Employee Benefits

Pension costs

Contributions to defined contribution pension schemes are charged to the profit and loss account in the periods during which services are rendered by employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating and Administrative Expenses

Throughout the current and prior years the Company was part of a group. Operating and administrative expenses, including staff costs and premises, were incurred by a fellow subsidiary company Thesis Services Limited, and an appropriate recharge was made to the Company (note 3). Staff costs were also directly incurred by the Company (note 4).

Interest Receivable and Interest Payable

Interest payable and similar charges include interest payable, unwinding of the discount on provisions and net foreign exchange losses recognised in the profit and loss account. Interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Notes to the Accounts (continued)

1. Accounting Policies (continued)

Interest Receivable and Interest Payable (continued)

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Financial Liabilities and Equity

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

2. Turnover

All turnover is derived from operations in the UK from fund management related activities.

	2024	2023
	£	£
Custody and execution fees	422,304	380,851
Fund management fees	2,687,748	2,721,868
Other income	50,000	44,048
Interest received on client balances	173,450	94,970
	<u>3,333,502</u>	<u>3,241,737</u>

Previously some small items of other income, not related to portfolio management, were included within custody and execution fees and fund management fees. These have now been separately classified.

3. Operating and Administrative Expenses

	2024	2023
	£	£
Staff costs (note 4)	163,630	137,279
Group management charge (below)	2,471,497	2,458,214

The group management charge includes the following elements:

	2024	2023
	£	£
Charge for use of tangible fixed assets	43,620	35,028
Rentals payable under operating leases for premises	32,078	38,832
Staff costs and directors' remuneration	1,360,624	1,250,848

Operating lease commitments disclosed in note 16 are based on the terms of the relevant non-cancellable lease.

	2024	2023
	£	£
Auditor's Remuneration:		
Fees Payable to the Company's auditor in respect of:		
Audit services	25,500	24,000
Audit related assurance services	64,000	57,800
	<u>89,500</u>	<u>81,800</u>

Notes to the Accounts (continued)

4. Staff Numbers and Costs

The average number of persons employed by the Company, including directors, was:

	2024	2023
Investment manager	1	1
Support staff	3	2
	<u>4</u>	<u>3</u>

The aggregate payroll cost of these persons was as follows:

	2024	2023
	£	£
Wages and salaries	141,421	123,110
Social security costs	14,546	6,216
Pension costs (note 17)	7,663	7,953
	<u>163,630</u>	<u>137,279</u>

5. Directors' Remuneration

	2024	2023
	£	£
Directors' remuneration		
Directors' emoluments	218,791	200,465
Group contribution to defined pension schemes	18,480	16,818
	<u>237,271</u>	<u>217,283</u>

	2024	2023
	£	£
The remuneration of the highest paid director was:		
Directors' emoluments	130,949	117,926
Group contribution to defined pension schemes	10,912	9,805
	<u>141,861</u>	<u>127,731</u>

	2024	2023
The number of directors in a defined contribution pension scheme	<u>3</u>	<u>3</u>

Two directors, D K Mytnik and V R Smith, are remunerated by Thesis Holdings Limited. All others are remunerated by Thesis Services Limited. The remuneration of directors is based on management's assessment of the time spent on Company business during the financial year.

6. Interest Receivable and Other Income

	2024	2023
	£	£
Bank interest receivable	168,273	37,451
Rental income	27,709	58,207
Other operating income	4,800	5,800
	<u>200,782</u>	<u>101,458</u>

Other operating income represents charges for custody and settlement services provided to Atomos UK Limited following their acquisition of the private client business.

Notes to the Accounts (continued)

7. Taxation

(a) Analysis of tax credit / (charge) on ordinary activities

	2024 £	2023 £
Current tax on profits on ordinary activities		
Current tax on the result for the year	-	(11,236)
Adjustment in respect of prior years	11,236	4,099
	<hr/>	<hr/>
Current tax	11,236	(7,137)
Deferred tax on profits on ordinary activities		
Timing differences, origination and reversal	(8,104)	(1,901)
Changes in tax rates	-	1,949
	<hr/>	<hr/>
Deferred tax	(8,104)	48
	<hr/>	<hr/>
Total tax charge / (credit)	<u>3,142</u>	<u>(7,089)</u>

(b) Factors affecting tax charges for the current period

The tax assessed for the period is lower (2023 lower) than that resulting from applying the standard rate of 25.0%

	2024 £	2023 £
Profit on ordinary activities before taxation	<u>259,471</u>	<u>57,704</u>
United Kingdom corporation tax at 25% (2023: 19.5%)	(64,868)	(11,252)
Effects of:		
Group relief	70,864	
Expenses not deducted for tax purposes	(5,968)	-
Capital allowances in excess of depreciation	-	
Movement in short term timing differences	(8,129)	(1,885)
Changes in tax rates	7	1,949
Prior year adjustment	11,236	4,099
	<hr/>	<hr/>
Current tax charge / (credit) for the period	<u>3,142</u>	<u>(7,089)</u>

8. Debtors

	2024 £	2023 £
Trade debtors	24,540	28,094
Other debtors	481	16,386
Deferred tax	28	8,123
Amounts due from other group companies	232,581	237,760
Accrued income	49,127	41,930
Prepayments	1,083	-
	<hr/>	<hr/>
	<u>307,840</u>	<u>332,293</u>

Notes to the Accounts (continued)

9. Creditors – Amounts Falling Due Within One Year

	2024	2023
	£	£
Trade creditors	-	60,505
Corporation tax	-	11,236
Amounts due to other group companies	222,270	164,445
Other creditors	6,522	8,148
Accruals and deferred income	49,635	70,214
	<u>278,427</u>	<u>314,548</u>

10. Provision for liabilities

	Deferred taxation (Note 14)	Dilapidations provision	Total
	£	£	£
At 1 May 2023	7,858	(31,430)	(23,572)
Charged to profit and loss	(7,858)	31,430	23,572
	<u>-</u>	<u>-</u>	<u>-</u>
At 30 April 2024	-	-	-

Dilapidation provisions were fully utilised during the year.

11. Financial Instruments

	2024	2023
	£	£
Financial Assets		
Measured at undiscounted amount		
Trade and other debtors	25,021	44,480
Cash and cash equivalents	3,902,534	3,683,019
	<u>3,927,555</u>	<u>3,727,499</u>
Financial Liabilities		
Measured at undiscounted amount		
Trade and other creditors	6,522	68,653
	<u>6,522</u>	<u>68,653</u>

12. Risk Management

The Company has defined a risk taxonomy designed to capture all the key activities that give rise to risk. At the highest level, referred to as level 1, 5 distinct categories of risk have been recognised: credit and credit and counterparty risk; liquidity risk; operational risk; business risk; and group risk. These are then sub-divided into level 2 and level 3 risk categories. This aligns the risks more closely with the team and line management structures in the business and allows the categories to be assigned more readily to risk owners.

The level 1 risks recognised by the Company is set out below:

Credit Risk	This is the risk that a counterparty will not meet their financial obligations to the business. This risk relates primarily to banking and the risk that the Company may not be able to access funds it has deposited with a bank. The Company manages this risk by placing cash only with large, well-capitalised banks with a strong credit rating and tier 1 capital ratio or in AAA-rated money market funds and by performing an annual review of the institutions it uses, including customer service experience.
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Notes to the Accounts (continued)

12. Risk Management (continued)

Liquidity Risk	<p>This is the risk that the Company will be unable to meet its liabilities as they fall due. Thesis manages this risk by maintaining a significant level of financial resources, much of which is held as cash in instant access accounts or cash money market funds.</p>
Operational Risk	<p>This is a broad category of risk which recognises that any process can fail or be subject to error and so harm the business either directly as a financial loss, or indirectly by damaging its reputation or by causing harm to its clients who then withdraw their business. The principal risk areas recognised are described below.</p> <p><u>Dealing and Settlement</u></p> <p>This is the risk that errors might occur as part of the trading cycle on client portfolios. These errors could result in the business trading an incorrect stock, recording activity on an incorrect portfolio or making incorrect payments.</p> <p>Thesis has implemented a range of automated and manual controls to minimise the risk of all such errors and has an incident management process to ensure that any errors that do occur or near-misses are fully reviewed and action taken to prevent recurrence.</p> <p><u>Technology</u></p> <p>Thesis takes a conservative approach to IT risks and maintains a comprehensive set of policies and procedures. These are designed first to prevent unwanted intrusion to its systems and second to detect it promptly should it occur. Staff receive regular awareness training from the IT team and communication about emerging threats.</p> <p><u>Conduct</u></p> <p>This recognises that the business of the Company is conducted by individuals and that their behaviours, attitudes and motivation are fundamental to the delivery of good outcomes for investors and, by extension, the Company.</p> <p>The business has a clearly articulated Purpose and a set of Values, both of which place the interests of investors in its funds at the heart of the business. These statements are integrated into many of the employment processes in the business, from recruitment to appraisals and team meetings. Annual training is also provided to all staff on conduct issues.</p>
Business Risk	<p>This is the risk that the business fails to deliver its long term strategy as a result of poor internal decision making or a weak understanding of changes in its business sector.</p> <p>Thesis tracks its financial performance internal with the production of budgets, monthly financial reports which incorporate forward looking projections and the use of key performance indicators. It monitors a range of external indicators and other information, such as publications from its regulator, to identify any significant changes for which it must plan.</p>
Group Risk	<p>This is the risk that events occurring elsewhere in the group could materially alter the financial position of the Company. The Company derives a significant proportion of its revenue from fund mandate appointments received from its fellow group subsidiaries, Thesis Unit Trust Management Limited and TUTMAN LLP. Any decision to remove those mandates or to cease to consider the Company for future mandates would be significant developments.</p>

Notes to the Accounts (continued)

13. Contingent Liability

The Group is exposed to the risk of potential litigation as well as potential FCA regulatory breaches and regulatory actions, which could give rise to the need to recognise material provisions or, in the case they do not qualify for the recognition of a provision, to disclose contingent liabilities. The financial impact of these exposures cannot be reliably estimated and, as a result, no provision was recognised in the balance sheet as at 30 April 2024.

14. Deferred Tax Asset

The deferred tax asset recognised on the balance sheet is attributable to the following:

	2024	2023
	£	£
Employee benefits	28	265
Dilapidations	-	7,858
	<u>28</u>	<u>8,123</u>

15. Called up Share Capital and Reserves

	2024	2023
	£	£
Allotted, called up and fully paid		
3,503,569 (2022: 3,503,569) Ordinary shares of £1 each	<u>3,503,569</u>	<u>3,503,569</u>

16. Commitments Under Operating Leases

At 30 April 2024 the Company had no annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2024	Land and Buildings 2023
	£	£
Operating leases which expire:		
Less than one year	-	62,680
Between one and five years	-	-
Over five years	-	-
	<u>-</u>	<u>62,860</u>

17. Employee Benefits

Pension Arrangements

The Company operates a defined contribution scheme for which the pension cost charge for the year was £7,663 (2023: £7,953). At the year-end unpaid pension contributions amounted to £1,170 (2023: £1,060).

18. Parent Company

The immediate parent company, and immediate controlling entity, is Thesis Holdings Limited, a company incorporated in Jersey.

The largest group of which the Company is a member and for which consolidated financial statements are drawn up is that of Regit Topco Limited, a company incorporated in Jersey. The smallest group of which the Company is a member and for which consolidated financial statements are drawn up is that of Regit Holdco Limited, a company incorporated in Jersey.

The registered address of all Jersey companies is 47 Esplanade, St Helier, Jersey, JE1 0BD

Notes to the Accounts (continued)

19. Controlling Party

The ultimate controlling party is Regit Topco Limited, a company incorporated in Jersey.

20. Related Party Transactions

The Company maintains a register of related parties which is updated each year using information supplied by the directors. This register also includes details of family members and any external business interests of the individuals.

All directors, including non-executive directors and those individuals who serve only on the boards of parent or subsidiary companies, are considered to be related parties. In addition, Vincent Smith is a director of J Leon & Company Limited. That business has trading relationships with the Company and with Thesis Unit Trust Management Limited and through its subsidiary, JLC Tigerco Limited, is an investor in Regit Topco Limited, the Company's ultimate parent. The Company considers J Leon and its directors also to be related parties. During the year the Company earned income of £118,971 (2023: £126,981) from transactions in the ordinary course of business with this group. The amount owed to the Company at the year end, included within debtors, is £10,268 (2023: £9,289).

As Tutman LLP is not a wholly owned subsidiary, disclosure of transactions with the Company is required by paragraph 33.1A of FRS102 even though all amounts are eliminated on consolidation within the group accounts of Regit Topco Limited. The Company earned investment advisory fees on funds managed by Tutman LLP of £64,047 for the year (2023: £54,711). The amount owed by Tutman LLP to the Company at 30 April 2024 was £6,166 (2023: £4,936).

21. Post Balance Sheet Events

The directors are not aware of any post balance sheet events that would affect the financial statements as at 30 April 2024.