

ISAM Funds (UK) Limited

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020
COMPANY NUMBER 06817754
REGISTERED IN ENGLAND AND WALES



iSAM

Report and Financial Statements

For the Year ended 31 March 2020

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Directors

Jaco Wentzel

Roy Sher

Alexander Lowe

Leanne Godsell

Secretary and Registered Office

Stefania Coppola

55 Baker Street, London, W1U 8EW

Auditor

BDO LLP, 150 Aldersgate, London, EC1A 4AB

Company Number

06817754

Strategic Report

For the Year ended 31 March 2020

The directors present their Strategic Report for the year ended 31 March 2020 for ISAM Funds (UK) Limited (the "Company").

Review and Risk of the Company's Business

The business activities of ISAM Funds (UK) Limited is that of a FCA regulated Full-Scope UK AIFM. The Company earns fees for managing Investment Funds as a delicate of ISAM Systematic Management.

The principal risk to the Company is the loss of clients and thereby the loss of the revenue stream. The Company is, however, confident of their continuing success in providing clients with portfolio & risk management and ancillary services. The Company is also holds capital resources of £3,987,599 (2019 - £2,081,870).

Other risks include:

Credit risk: The Company neither holds client money nor assets nor lends money, and is, therefore, not exposed to credit risk in its traditional sense. The Company's exposure to credit risk is the risk that investment management fees cannot be collected from clients and the exposure to banks where cash is deposited.

Market risk: Market risk is the risk of loss arising from adverse movements in the level or volatility of market prices of securities held by the Company. The Company does not deal as principal and does not hold any foreign currency exposures, consequently market risk component is largely not applicable.

Operational risk: Operational risk is the risk of loss, resulting from inadequate or failed internal processes, people and systems or from external events. The main operational risks the Company is exposed to are valuation errors, compliance risk, trade error risk, failure/collapse of counterparty, system failure risk and insurance risk. The Company has a robust control framework with a high degree of direct oversight at various levels within its governance framework, which is all supervised by the Board in order to identify and reduce the firm's exposure to these risks.

The Company monitors the liquidity and cash flow risk carefully and on a weekly basis.

Business Review

During the year, the Company made an operating profit before tax of £1,465,184 (2019 - £896,164). As a result, the Shareholder funds increased to £3,987,599 (2019 - £2,081,870). The company has strong cash reserves of £7,138,176 (2019 - £2,246,045).

The Directors have assessed the impact of COVID-19 on the Company and its ability to continue as a going concern. The outbreak of COVID 19 has had minimal financial impact on the running of the business. The Company was very effective and pro-active in moving employees to working from home. This helped the Company minimise disruptions to operations and continue to deliver services to our clients and safeguarding the health of our employees and their families. After considering the cash flow requirements of the Company and the available resources, the Directors are of the view that the Company has adequate resources to continue its operations. Therefore, the financial statements have been prepared on a going concern basis. The Directors continue to closely monitor the impact of COVID-19 on the business through continuous risk and financial review.

Strategic Report (continued)

For the Year ended 31 March 2020

Key Performance Indicators

The Company uses simple key performance indicators to monitor performance of its business.

	31 March 2020	31 March 2019
	£	£
Profit before tax	1,465,184	894,734
Return on Capital	166.3%	101.6%
Net Cash Balances	7,138,176	2,246,045
Staff Turnover (no key staff have left in the past year)	15.8%	32.6%

Section 172 Statement

A key focus of the Board is to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the matters set out in Section 172 of the Companies Act 2006.

We have set out below examples of how the Board has regard to (i) the likely consequences of any decision in the long-term; (ii) the interests of our employees; (iii) the need to foster relationships with key stakeholders; (iv) the impact of our operations on the community and environment; (v) how the company maintains a reputation for high standards of business conduct; and (vi) acts fairly as between members of the company. The stakeholders we consider in this regard are our clients, the people who work for us, our owners and those who provide the services we rely on to operate our business.

The Company has implemented and maintains a robust governance structure for day-to-day decision making. The Board has established a number of committees which meet on a regular basis and provide management information to the Board. The membership of the committees include senior managers across the business and are a forum for discussion on new investment developments, risk and compliance.

The Company is fast growing and is always looking for new business opportunities. An example, of this is the current development of a new investment strategy. The on-going engagement with all stakeholders is key with respect to such strategic decisions.

The following are some examples of the stakeholder engagement that has taken place during the financial year:

Employees

Employee engagement is a key priority for the Company. During the year, the Board introduced leadership training to all senior managers within the company to help focus and maintain a strong relationship between the company and its employees. The Board has continued to engage with and review feedback from its employees in a number of ways throughout the year, including: quarterly updates, 1-2-1 meetings, company-wide social events, and open door policy.

Clients

Our clients are the lifeblood of our business, and we pride ourselves on the transparency and depth of our relationship with them. We establish bespoke reporting on an informal and formal basis and senior management meet them on a regular basis.

Strategic Report (continued)

For the Year ended 31 March 2020

Parent Company and Shareholders

Senior management attends monthly parent company board meetings to inform and seek approval for significant changes to the business. There is also an on-going dialogue between the managing directors of the Company and the chair of the parent company board who provides guidance and a sounding board.

All the ultimate shareholders of the group either work with the company or group related companies or are previous employees where there is a good working relationship. This provides for good communication and buy-in from shareholders with respect to the Company's strategy.

Service Providers

Our service providers play a key part in enabling us to deliver a professional service to our clients. We seek to choose the best products and service providers to meet our requirements, and then seek to develop strong, long-term relationships with them.

Community & Environment

As our business grows, we are now taking steps to look beyond our own community to look for ways we can support others. Recently the company has partnered with a local London school, donating a Science and Math's Bursary and offering work experience opportunities in the hope that we can attract and encourage diverse young talent, who may not have previously considered a career within the Financial Service Industry.

The Board is also committed to minimising the impact our operations have on the environment by implementing a number of environmental initiatives. These include; offsetting our carbon emissions on business travel, recycling office supplies wherever possible and limiting single use plastic.

Culture

The Board believes culture to be key in building a successful company. The Company aims to provide clients with a trusted, institutional grade financial service, ensuring that they are treated fairly. The Company believes it is essential to create an environment for diverse individuals with different skill sets and approaches to be able to leverage each other's expertise to create an excellent product. Professional respect guides our interactions with each other and our clients. The Company believes this is critical to encourage individuals to speak up in an open forum regardless of seniority and to listen and accept the validity of other expertise and decisions that result from the process.

The Company encourages senior managers to lead by example and all employees to demonstrate moral courage and challenge things employees believe are wrong or can be improved. The Company also promotes a tolerant environment of inclusivity in the workplace

Long-Term Decision Making

The Company has always been a business with a long-term focus. A focus on continued innovation and improvements to service our clients and ensures we retain our competitive edge.

We aim to minimise risk by ensuring we have researched new opportunities thoroughly, have the appropriate expertise in place, and that our teams and infrastructure will not become overstretched by any new ventures. As we grow, we continue to invest in maintaining a scalable and agile operating model.

Furthermore, we have invested significantly into creating an environment and culture which supports the long-term ambitions and well-being of our people. Consideration of the long-term consequences of decisions also forms the foundation of our approach to managing risks.

Strategic Report (continued)

For the Year ended 31 March 2020

Approval

This Strategic Report was approved on behalf of the Board on 27 July 2020.



Alexander Lowe

Director

27 July 2020

Report of the Directors

For the Year ended 31 March 2020

The directors present their report together with the financial statements for the year ended 31 March 2020

Results and Dividends

The Statement of Comprehensive Income is set out on page 10 and shows the profit for the year. The directors do not propose a dividend (2019 - £nil).

Principal Activity

The principal activities of the Company in the year under review was the provision of portfolio & risk management and ancillary services to Investment Funds.

Directors

The directors of the company during the year were:

- Jaco Wentzel
- Alexander Lowe
- Roy Sher
- Leanne Godsell

Pillar 3 Disclosure

Details of the Company's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), are displayed on the Company's website at www.isamfunds.com.

Directors' Responsibilities Statement

The directors are responsible for preparing the strategic report, 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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 UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the Directors (continued)

For the Year ended 31 March 2020

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.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of ISAM Funds (UK) Limited.

Going Concern

Having considered the cash flow forecast of the Company and the available resources, the Directors are of the view that the Company has adequate resources to continue in operation. Therefore, the financial statements have been prepared on a going concern basis. Further considerations on the company's ability to continue as a Going Concern are included in the Strategic Report on Page 3.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's Auditor for the purpose of their audit and to establish that the Auditor are aware of that information. The directors are not aware of any relevant audit information of which the Auditor are unaware.

BDO LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Approved by the members of the Board on 27 July 2020.



Alexander Lowe
Director
27 July 2020

Independent Auditor's Report

For the Year ended 31 March 2020

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ISAM FUNDS (UK) LIMITED

Opinion

We have audited the financial statements of ISAM Funds (UK) Limited ("the Company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and the notes forming part of 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 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report (continued)

For the Year ended 31 March 2020

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent Auditor's Report (continued)

For the Year ended 31 March 2020

Responsibilities of Directors

As explained more fully in the Directors Responsibilities Statement in respect of the Directors' report and the Financial Statements, 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Daniel Taylor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom
Date 27 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Statement of Comprehensive Income

For the Year ended 31 March 2020

	Note	31 March 2020 £	31 March 2019 £
Turnover	3	17,677,189	11,710,201
Administrative Expenses		16,217,025	10,815,466
Operating Profit	4	1,460,164	894,735
Other Interest Receivable and Similar Income		5,020	1,429
Profit on Ordinary Activities Before Taxation		1,465,184	896,164
Taxation on Profit on Ordinary Activities	7	279,455	178,338
Profit on Ordinary Activities After Taxation		1,185,729	717,826
Other comprehensive income			
Profit for the financial year, other comprehensive income and total comprehensive income for the year		1,185,729	717,826

All amounts relate to continuing activities.

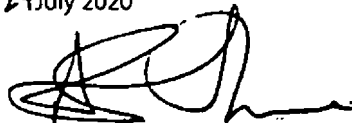
The notes on pages 16 to 26 form part of these financial statements.

Balance Sheet

As at 31 March 2020

	Note	31 March 2020 £	31 March 2019 £
Fixed Assets			
Tangible Assets	8	929	15,598
		929	15,598
Current Assets			
Debtors	10	777,905	1,030,058
Deferred Tax	7	3,487	1,004
Cash at Bank and in Hand		7,138,176	2,246,045
		7,919,568	3,277,107
Creditors			
Amounts Falling Due Within One Year	11	3,932,898	490,835
		3,986,670	2,786,272
Net Current Assets		3,987,599	2,801,870
Total Assets less Current Liabilities		3,987,599	2,801,870
Creditors: Amounts Falling Due After More Than One Year			
Net Assets		3,987,599	2,801,870
Capital and Reserves			
Called Up Share Capital		1,000	1,000
Capital Contribution Reserve		880,000	880,000
Profit and Loss Account		3,106,599	1,920,870
Total Equity		3,987,599	2,801,870

The financial statements were approved by the board of Directors and authorised for issue on the
27 July 2020



Alexander Lowe
Director
27 July 2020

The notes on pages 16 to 26 form part of these financial statements.

Statement of Cash Flows

For the Year ended 31 March 2020

	Note	31 March 2020 £	31 March 2019 £
Cash Flows from Operating Activities			
Profit for the Financial Year		1,185,729	717,826
Adjustments for:			
Depreciation, Impairment and Amortisation of Fixed Assets		23,235	110,639
Taxation Expense	7	(279,455)	(178,338)
Decrease in Debtors	10	252,153	2,683,567
Increase in Creditors		3,436,974	(3,166,101)
Exchange losses		-	-
Cash from operations		4,618,636	167,593
Taxation Paid		282,060	138,072
Net Cash Generated from Operating Activities		4,900,696	305,665
Cash Flows from Investing Activities			
Purchase of Tangible Fixed Assets	8	(8,565)	(41,788)
Investment Disposal		-	-
Net Cash Outflow/Inflow from Investing Activities		(8,565)	(41,788)
Net Increase/(Decrease) in Cash and Cash Equivalents		4,892,131	263,877
Cash and Cash Equivalents and Beginning of Year		2,246,045	1,982,168
Cash and Cash Equivalents at End of Year		7,138,176	2,246,045
Cash and cash equivalents comprise:			
Cash and Cash Equivalents at End of Year		7,138,176	2,246,045

The notes on pages 16 to 26 form part of these financial statements.

Statement of Changes in Equity
For the Year ended 31 March 2020

2020	Share Capital £	Capital Contri- bution Re- serve £	Profit & Loss account £	Total Equity £
Opening Balance - 1 April 2019	1,000	880,000	1,920,870	2,801,870
Profit for the Financial Year	-	-	1,185,729	1,185,729
Total Comprehensive Profit for the Financial Year	1,000	880,000	3,106,599	3,987,599
Contributions by and distributions to owners				
Total Contributions by and Distributions to Owners	-	-	-	-
31 March 2020	1,000	880,000	3,106,599	3,987,599

2019	Share Capital £	Capital Contri- bution Re- serve £	Profit & Loss account £	Total Equity £
Opening Balance - 1 April 2018	1,000	880,000	1,203,044	2,084,044
Profit for the Financial Year	-	-	717,826	717,826
Total Comprehensive Loss for the Period	1,000	880,000	1,920,870	2,801,870
Contributions by and distributions to owners				
Total Contributions by and Distributions to Owners	-	-	-	-
31 March 2019	1,000	880,000	1,920,870	2,801,870

The notes on pages 16 to 26 form part of these financial statements.

Notes Forming Part of the Financial Statements

For the Year ended 31 March 2020

1. Accounting Policies

ISAM Funds (UK) Limited (the "Company") is a private company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the strategic report on page 3.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The Company have applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017.

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

The following principal accounting policies have been applied:

Going Concern

Having considered the cash flow forecast of the Company and the available resources, the Directors are of the view that the Company has adequate resources to continue in operation. Therefore, the financial statements have been prepared on a going concern basis.

Turnover

Turnover represents the value of services provided net of value added tax. Management and incentive fees are recognised when receivable in accordance with the relevant investment management agreement. Turnover is recognised at the fair value of services provided.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Computer Equipment - 1 year

Fixtures and fittings - 1-3 years

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

Depreciation (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.
- Capital Contribution reserve represents the additional nominal value of the shares issued.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the Company's functional and the Company's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the income statement within 'other operating income'.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial Liabilities and Equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

1. Accounting Policies (continued)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

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

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pension costs

Contributions to the employee's personal pension scheme are charged to profit or loss in the period in which they become payable.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The directors do not consider there to be any other key sources of estimation uncertainty.

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

3. Analysis of Turnover	31 March 2020 £	31 March 2019 £
Analysis by Class of Business:		
Investment Management Services	17,677,189	11,710,201
Analysis by Turnover by Country of Destination:		
United Kingdom	-	-
Rest of Europe	-	-
Rest of the World	17,677,189	11,710,201
	17,677,189	11,710,201

4. Operating Profit	31 March 2020 £	31 March 2019 £
Operating Profit is stated after charging:		
Depreciation of Tangible Fixed Assets	23,235	110,639
Foreign Exchange Differences	(44,857)	(49,718)
Fees Payable to the Company's Auditor for the Auditing of the Company's Annual Accounts	17,500	15,040
Fees Payable to the Company's Auditor for Other Services		
- Other Taxation Services	8,785	32,158
- Other Non-Audit Services	10,698	19,106

5. Employees	31 March 2020 £	31 March 2019 £
Staff cost (including directors) cost of:		
Wages and Salaries	13,358,470	8,097,194
Social Security Cost	697,550	609,585
Other Pension Cost	235,020	170,132
Total	14,291,040	8,876,911

The average number of employees (including directors) during the year was 51 (2019 - 46).

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

6. Directors' Remuneration	31 March 2020 £	31 March 2019 £
Directors' Emoluments	3,521,434	3,792,905
Pension Contributions	23,000	18,050

The total amount payable to the highest paid director in respect of emoluments was £1,591,171 (2019 - £1,769,238).

7. Taxation on Profits on Ordinary Activities	31 March 2020 £	31 March 2019 £
Analysis of tax charge/(credit) for the Year		
Current Tax		
UK corporation tax at 19% (PY: 19%)	281,584	189,716
Adjustments in respect of previous periods	354	(94)
Tax charge for the Year	281,938	189,622
Deferred Tax		
Origination and reversal of timing differences	(2,439)	(11,284)
Effect of tax rate change on opening balance	(110)	-
Adjustments in respect of previous periods	66	-
Total deferred tax credit	(2,483)	(11,284)
Taxation on profit on ordinary activities	279,455	178,338

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

7. Taxation on Profits on Ordinary Activities (Continued)

	31 March 2020	31 March 2019
Factors effecting taxation charge for the year		
Profit before taxation	1,465,184	896,164
Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation tax of 19% (2019: 19%)	278,385	170,271
Effect of:		
Expenses not Deductible for the Tax Purposes	760	6,834
Adjustments to tax charge in respect of previous periods	354	(94)
Adjustments to tax charge in respect of previous periods - deferred tax	66	-
Adjust closing deferred tax to average rate of 19.00%	-	118
Adjust opening deferred tax to average rate of 19.00%	(110)	1,209
Tax charge for the Year	279,455	178,338
Deferred taxation		
	31 March 2020	31 March 2019
The movement in deferred tax is shown below:	£	£
Deferred tax liability – opening balance	(1,004)	10,280
Credited to profit and loss account	(2,483)	(11,284)
Deferred tax (Asset)/Liability – closing balance	(3,487)	(1,004)

Notes Forming Part of the Financial Statements (continued).

For the Year ended 31 March 2020

7. Taxation on Profits on Ordinary Activities (Continued)

The Provision of Deferred Taxation is made up as follows:

	31 March 2020	31 March 2019
	£	£
Accelerated Capital Allowances	-	921
Fixed Asset Timing Differences	(1,409)	-
Short Term Timing Differences	(2,078)	(1,925)
Deferred tax (Asset)/Liability	(3,487)	(1,004)

The deferred tax balances relate to deferred tax on fixed assets. This is the difference between the tax written down value and the net book value. At disposal, there would be a tax credit applied when the tax written down value is greater than the net book value.

8. Tangible Fixed Assets	Fixtures and Fittings	Computer Equipment	Totals
	£	£	£
Cost at 1 April 2019	337,425	293,386	630,811
Additions	-	8,565	8,565
Cost at 31 March 2020	337,425	301,951	639,376
Accumulated Depreciation at 1 April 2019	337,364	277,848	615,212
Depreciation Charge for Year	61	23,174	23,235
Accumulated Depreciation at 31 March 2020	337,425	301,022	638,447
Net Book Value at 31 March 2020	-	929	929
Net Book Value at 31 March 2019	61	15,538	15,598

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

9. Financial Instruments

The Company's financial instruments may be analysed as follows:

	31 March 2020	31 March 2019
	£	£
Financial Assets		
Financial assets that are debt instruments measured at amortised cost	7,556,475	2,908,325
Financial Liabilities		
Financial liabilities measured at amortised cost	3,880,085	443,021

Financial assets measured at fair value through profit or loss comprise fixed asset investments in unlisted company shares and current asset investments in a trading portfolio of listed company shares.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals:

Information regarding the company's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Strategic report.

	Company 31 March 2020	Company 31 March 2019
	£	£
10. Debtors		
Amounts Owed by Group Undertakings	345,866	575,791
Other Debtors	72,433	86,489
Rental Deposit	228,854	228,854
Prepayments	130,752	138,924
Total Debtors	777,905	1,030,058

Amount owed by Group Undertakings are unsecured, interest free and repayable on demand.

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

11. Creditors: amounts falling due within one year	Company	Company
	31 March 2020	31 March 2019
	£	£
Amount Owed to Group Undertakings	1,676,347	30
Trade Creditors	252,306	391,217
Corporation Tax	52,902	47,814
Deferred Taxation	-	-
Pension	-	10,938
Accruals	1,951,343	40,836
Total Creditors	3,932,898	490,835

Amount owed to Group Undertakings are unsecured, interest free and repayable on demand.

12. Commitments under operating leases

The Company had annual commitments under a non-cancellable operating lease as set out below:

	Land and Buildings 31 March 2020	Land and Buildings 31 March 2019
	£	£
Operating leases which expire:		
Within one year	200,742	385,425
In two to five years	-	1,541,700
More than 5 years	-	578,138
At 31 March 2020/2019	200,742	2,505,263

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

13. Called Up Share Capital	31 March 2020 £	31 March 2019 £
Allotted, called up and fully paid		
1,000 Ordinary A Shares of £1 each	1,000	1,000
650,000 Ordinary B Shares of £1 each	650,000	650,000
230,000 Ordinary C Shares of £1 each	230,000	230,000
Total Share Capital	881,000	881,000

ISAM Funds (UK) Limited is limited by shares.

14. Related Party Disclosure

Related party transactions and balances:

	Recharges to related parties £	Sales to re- lated par- ties £	Amounts owed to related parties £	Amounts owed from re- lated parties £
2020				
ISAM Systematic Management	-	15,518,800	1,676,347	-
ISAM Systematic Equities	-	2,158,389	-	201,375
IS Prime Limited	2,465,111	-	-	144,130
Total	2,465,111	17,677,189	1,676,347	345,505

Notes Forming Part of the Financial Statements (continued)

For the Year ended 31 March 2020

14. Related Party Disclosure (continued)

Related party transactions and balances:

	Sales to re- lated parties	Amounts owed to re- lated parties	Amounts owed from related par- ties
	£	£	£
2019			
ISAM Systematic Management	11,505,850	-	219,023
ISAM USA	-	30	-
ISAM Systematic Equities	204,351	-	204,351
IS Prime Australia	-	-	532
IS Prime Limited	3,461,713	-	151,885
Total	15,171,914	30	575,791

International Standard Asset Management is the ultimate controlling party of ISAM Funds (UK) Limited. ISAM Systematic Management, ISAM USA, ISAM Systematic Equities, IS Prime Australia and IS Prime Limited are part of the same group with the ultimate parent, International Standard Asset Management. No sales are made to IS Prime Limited from ISAM Funds (UK) Limited and all the related party transactions relate to re-charged cost and is therefore not recognised as turnover in the Statement of Comprehensive Income.

15. Ultimate Parent Undertaking and Controlling Party

The Company is a subsidiary of International Standard Asset Management which is the ultimate parent company incorporated in the Cayman Islands.