

Colchester Global Investors Limited

Annual Report and Financial Statements

for the year ended 30 April 2022

Registered Company Number 03855960

Colchester Global Investors Limited
Annual Report and Financial Statements
For the Year Ended 30 April 2022

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Colchester Global Investors Limited

Company Information

Registered Office	Heathcoat House 20 Savile Row London W1S 3PR Tel: 020 7292 6920 Fax: 020 7292 6932
Directors	Ian Sims Michael Cowan (non-executive) Keith Lloyd Michele Connell Lucy Crawford (non-executive)
Company Secretary	James Christie
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

Colchester Global Investors Limited

Strategic Report

Business review and future developments

At 30 April 2022 assets under management totalled £27,487m (2021: £30,147m). The decrease in assets under management, was mainly due to client outflows following the continuing impact of the COVID-19 global pandemic and rising inflationary concerns as some clients rebalanced their portfolios to non-Fixed Income related securities as well as increasing working capital balances to counter the effects of lengthy government-imposed lockdown restrictions. Furthermore, the invasion of Ukraine by Russia in February 2022, further disrupted financial markets. Consequently, the impact of client outflows is expected to be mitigated in the next financial year by committed inflows from both existing and new clients. There are no plans to significantly change the activities and risks of Colchester Global Investors Limited (“the Company”) and its subsidiaries (“the Group”).

Financial position and performance

The financial position of the Group at 30 April 2022 is shown in the Group Statement of Financial Position on page 20, with trading results shown in the Group Income Statement on page 17 and the Group Cash Flow Statement on page 22.

The Group generated turnover of £85,256k for the year (2021: £82,059k), an increase of 4%. Turnover comprised management and other fees of £75,286k (2021: £77,067k) and performance fees of £9,970k (2021: £4,993k). The increased turnover was attributable to an increase in performance fees and favourable exchange rates.

The Group made a profit before tax of £32,041k for the year (2021: £28,864k), an increase of 11%.

Key performance indicators (KPIs)

The key Group financial and other performance indicators during the year were as follows:

	2022	2021	Change
	£k	£k	
Turnover	85,256	82,059	4%
Operating Profit	31,569	29,620	7%
Profit after tax	25,887	23,320	11%
Average number of employees	82	82	0%

Colchester Global Investors Limited

Strategic Report (continued)

Going concern

The Group's activities, together with the factors likely to affect its future development, performance and position are set out in the applicable sections of the Report of the Directors and the Strategic Report. The financial position of the Group, its liquidity position, and its cash flows are reflected on the Group Statement of Financial Position and Group Cash Flow Statement.

The continuing impact of the COVID-19 global pandemic and rising inflationary concerns have resulted in further client outflows. The invasion of Ukraine by Russia resulted in further disruption to financial markets, and subsequently a reduction in assets under management. The financial statements have been prepared considering the risks faced by the Group, taking into account that a potential loss of revenue may occur at the same time as other adverse events. Stress-testing calculations for such circumstances have been applied, and the Group has financial resources sufficient to support its business operations and maintain capital adequacy, even in an extreme situation. The Group has investment management mandates in place with several clients, who are diversified across a range of entity types and geographic locations along with committed inflows within the next 12 months from both existing and new clients and consequently, the Directors believe that the Group has adequate capital resources to continue in operational existence for the foreseeable future. The directors continue to adopt the going concern basis of accounting in preparing the Annual Report and Financial Statements, which is at least 12 months from the date of signing of the financial statements.

Principal risks and uncertainties

The Directors are responsible for the evaluation of risk appetite. The principal risks and uncertainties facing the Group are as follows:

- a. Legal and regulatory risks: The Group is subject to direct regulation in the United Kingdom, the United States of America, the Dubai International Financial Centre, South Africa, South Korea, Ireland and Singapore in its provision of investment management services, as well as being exempt from regulation in a number of other jurisdictions. Compliance imposes costs and failure to comply with applicable regulation could materially affect the Group's ability to operate.
- b. Performance risks: The Group's attractiveness to new clients is largely dependent on an established performance track record. A significant or prolonged downturn in relative performance could materially affect the Group's ability to attract new business or to retain existing clients.
- c. COVID-19 Global Pandemic: Investment risk, being outperformance or client outflows as a result of a change in asset allocation choice are not deemed to be COVID-19 related risks but rather structural risks for the whole asset management industry. Throughout the financial year, the Group implemented its Business Continuity and Disaster Recovery ("BC/DR") Plan to mitigate the operational risk faced, should a significant number of staff be unable to work due to medical leave for illness as a result of infection, which resulted in all offices being closed and staff working remotely.

Colchester Global Investors Limited

Strategic Report (continued)

Principal risks and uncertainties (continued)

As part of this operational risk assessment, procedures and checks were reassessed to ensure both security and capacity of the Group network remained robust and fit for purpose in the remote working environment. To date, there has been no impact on critical functions. The Group has also remained in close contact with all its key service providers to understand the measures that have been implemented to ensure the service is maintained and has not experienced any significant impact on services received as a result of COVID-19.

- d. Climate and Sustainability Risk: The negative impact of climate change has become increasingly evident and is a key concern of all stakeholders alike. The company has been reviewing its own impact on the environment as well as the impact of its investment decisions. Climate related risks are split into two categories.

(i) risks related to the transition to a lower-carbon economy and

(ii) risks related to the physical impacts of climate change. The Task Force on Climate-Related Financial Disclosures (TCFD) Committee within Colchester help to drive:

1. The processes for identifying and assessing climate related risk
2. The processes for managing climate-related risks, and
3. How the processes for identifying, assessing, and managing climate related risks are integrated into Colchester's overall risk management.

While the Company has not early adopted the enhanced TCFD disclosures, please refer to the section below for the Group's existing disclosures.

- e. Key man risk: The Group's investment management process relies on the involvement of a small number of key investment professionals. The loss of more than one of these individuals could materially impact the Group's ability to continue to meet client expectations, however the BC/DR Plan sets out the Group's most critical functions and risks, along with key deliverables and would implement transfer of work arrangements if necessary.
- f. Russia/ Ukraine War: The invasion of Ukraine by Russia resulted in further disruption to financial markets, and subsequently a reduction in assets under management. The financial statements have been prepared considering the risks faced by the Group, taking into account that a potential loss of revenue may occur at the same time as other adverse events. The threat of potential lost revenue mainly stems from sanction restrictions being placed on trade with Russia by the G8 nations, resulting in Russian Government Bond coupon payments being halted to the Group. Stress-testing procedures for such circumstances have been and continue to be applied, and the Group has financial resources and is sufficiently diversified to support its business operations and maintain capital adequacy, even in an extreme situation.

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Strategic Report (continued)

Principal risks and uncertainties (continued)

In addition to the above, a description of the other principal operational and financial risks and uncertainties facing the Company and the Company's risk and capital management policies are set out in note 9 to the financial statements.

Task Force on Climate-related Financial Disclosure (TCFD)

Colchester Global Investors became a supporter to the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019. The Firm established a TCFD Advisory Committee which reports directly to the Colchester Board to further support the Task Force on Climate Related Financial Disclosures. Within Colchester's investment process a firmwide ESG policy covers the integration of ESG factors across all strategies and is supplemented with its sovereign engagement framework. Colchester also launched a Green Sovereign Bond Strategy within its product offering. On a Group level Colchester has adopted an Environmental and Sustainability Policy which aims at protecting and reducing the negative impact on the environment. The TCFD Advisory Committee will continue in implementing TCFD requirements.

Pillar 3 disclosure

The Company is authorised and regulated by the Financial Conduct Authority ("FCA") in the conduct of its investment management business.

The Directors make available the disclosure document prepared under rules established by the FCA in its Handbook of Rules and Guidance to implement the European Union Capital Requirements Directive. This document (the "Pillar 3 Disclosure") describes the risks the business faces, its risk management policies and the capital held to support the business. A copy of the Pillar 3 Disclosure is available on the Company's website at www.colchesterglobal.com.

Section 172 statement

The section 172 statement describing how the board considers stakeholders in its decision-making is in the Report of Directors.

On behalf of the Board,

Ian Sims
Chairman
30 June 2022



Keith Lloyd
Director



Colchester Global Investors Limited

Report of the Directors

The Directors present the Annual Report and the audited consolidated financial statements for Colchester Global Investors Limited and its subsidiaries covering the year from 1 May 2021 to 30 April 2022.

Principal activities

The Company's principal activity is investment management. The Company conducts its activity from its headquarters in London, with marketing and client relations assistance from its wholly owned subsidiaries in the USA, Ireland, Singapore and Dubai, and trade execution support from its Singapore subsidiary. The Irish entity was officially incorporated in 2022 as part of the Group's Brexit strategy.

Section 172 statement

Section 172 of the Companies Act 2006 requires Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to:

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

The following sets out how the Company's Board has discharged this duty.

- Since the founding of the Company in 1999, the Board has maintained its focus on investing in government bonds and currencies. The introduction of each new investment strategy, such as an inflation-linked sovereign debt strategy, or the Alpha strategy utilizing bond futures and interest rate swaps, has been done with the aim of increasing diversification of product offering and client base (and therefore the long term stability of the Company), while maintaining focus on the Company's area of expertise. This consistency of approach is underpinned by a belief that long term success is achieved by maintaining this focus rather than expanding outside one's area of expertise in pursuit of more immediate gains. The Board's consideration of long term consequences is evident throughout its decision making, from deciding to invest in the establishment of a subsidiary in the Middle East in order to promote the long term growth of the business in that market, to approving the investment of significant resources in developing the distribution channels of the Company's funds complexes.

Colchester Global Investors Limited

Report of the Directors

Section 172 statement (continued)

- The Directors recognise the critical role that the Company's employees play in its success. The Company operates a comprehensive appraisal system along reporting lines which includes a formal review of each employee's performance, development needs and opportunities twice annually. The Company is majority owned by its employees and the Company actively encourages employees to hold shares. Compensation and benefits, as approved by the Board, are competitive for the industry. The Company's success in creating a positive environment for its employees is demonstrated in the low turnover of employees: it is more than 20 years since the Company was founded and during that period only 2 investment officers have left.

In recognition of the importance of maintaining strong business relationships with suppliers, the Company has established a Vendor Management Committee which oversees the management of supplier relationships and reports into the Business Risk Committee. The Board exercises oversight by way of direct reports from the Business Risk Committee. Every supplier relationship has a relationship manager assigned to manage that relationship.

- The Directors have instilled within the Company a client-oriented mentality, where time is invested in building long term client relationships. The Board has implemented and oversees a rigorous governance and compliance monitoring regime which is designed to ensure the Company provides its investment management services in the best interests of its clients. While certain functions have necessarily been delegated, the Board maintains effective oversight via the reporting lines set down in the governance structure. The development of strong client relationships is also present in the Board's long-term strategic decisions. For example, the establishment of offices in a number of regions has in large part been driven by client servicing considerations as the geographic scope of the Company's client base has expanded.
- ESG considerations are an intrinsic part of the Company's investment management process. The investment management process is driven by the Investment Management Committee, which is chaired by the CIO who is also a Director.
- The industry that the Company operates in is highly competitive and the Board recognizes that it is essential to the success of the Company that it retains its reputation for high standards of business conduct. The Board reviews and approves the Company's Code of Ethics, covering matters such as the management of conflicts of interest, complaints handling and the Company's error policy.

Streamlined Energy & Carbon Reporting (SECR)

UK SI 2018/1155 requires Colchester to report on energy usage and greenhouse gas emissions associated with energy use. The Group is committed to reducing energy usage and constantly strives to improve its waste management and recycling practices.

Colchester Global Investors Limited

Report of the Directors

Streamlined Energy & Carbon Reporting (SECR) (continued)

Description	Year end 30 April 2022	Year end 30 April 2021
CO2 emissions for Business Travel (Scope 1)	62.9	0
Electricity/ Energy Usage (Scope 2)	76,603 Kwh	108,609 Kwh
Description: Intensity Metrics	Year end 30 April 2022	Year end 30 April 2021
Annual Kwh usage per average headcount (Kwh/average headcount during period (59))	1298.00 Kwh per average headcount used in the period	1872.74 Kwh per average headcount used in the period
Annual Kwh usage per square metre of office space (728 square metres)	105.00 Kwh per square metre of office space used in the period	149.2 Kwh per square metre of office space used in the period

Energy usage – methodology*

Colchester has staff on two floors in the London office. Colchester occupies the whole of the 4th floor and only part (54%) of the 1st floor. Colchester is responsible for meter readings on the 4th floor, whilst the landlord for Colchester’s London office, Knight Frank, is responsible for the meter readings of the 1st floor. Actual data provided by the energy supplier has been used to compile the relevant figures.

- The 1st floor kWh usage is based on an estimated usage derived from the 4th floor usage during the period 24,045 kWh (2021: 34,091 kWh).
- The 4th floor kWh usage is based on annualising the usage derived from readings taken between 6th March 2020 and 30th April 2022 (59,245 kWh in 421 days and taking into account the number of days the office was occupied during this period which accounted to 86 relevant days) to 52,558 kWh (2021: 74,518).

CO2 emissions

During the year ending 30th April 2022 business travel resumed following COVID-19 restrictions being lifted around the world (2021: there were no CO2 emissions due to halt in business travel). This resulted in the Group re engaging clients face to face around the world and as such the Group recorded the following CO2 emissions.

Service	Travel Type	Sector Mileage	CO2 Emissions (Tonnes)
Air Travel	International	95,728	46.5
Air Travel	Long Haul	23,361	11.4
Air Travel	Short Haul	3,516	1.0
Hotels		-	4.0

There was no business mileage carried out in private vehicles.

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Report of the Directors

Task Force on Climate-related Financial Disclosures (TCFD)

Colchester Global Investors became a supporter to the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019. The Firm established a TCFD Advisory Committee which reports directly to the Colchester Board to further support the Task Force on Climate Related Financial Disclosures. Colchester ensures that it is compliant with environmental legislation.

ESG

Within Colchester's investment process, a firmwide ESG policy covers the integration of ESG factors across all strategies and is supplemented with its sovereign engagement framework. Colchester also launched a Green Sovereign Bond Strategy within its product offering.

Environmental and Sustainability Policy

On a Group level Colchester has adopted an Environmental and Sustainability Policy which aims at protecting and reducing the negative impact on the environment. The TCFD Advisory will continue in implementing TCFD requirements.

Environmental and Sustainability Champions

A group of enthusiastic staff who are passionate about the environment will generate ideas to promote sustainability, with a view to increasing employee engagement in initiatives and reducing Colchester's carbon footprint.

The Cloud

During the year ending 30th April 2021, Colchester began to move its IT infrastructure to the Cloud, using Microsoft Azure. Microsoft has been carbon neutral since 2012 and aims to be carbon neutral by 2030. This move will save electricity and will prevent the need for Colchester to purchase further on-premises servers. The move was completed, as at 30th April 2022.

Future Outlook

Likely future developments in the business of the Company or its subsidiaries are discussed in the Strategic Report.

Brexit

Due to the nature of the Group's diversified global client base, as well as the specifics of its European client base, and the agreement of a multilateral memorandum of understanding between the Financial Conduct Authority and the European Securities and Markets Authority, the United Kingdom's departure from the European Union, has not had a material adverse effect on the Group's business. The Group has established an office in Ireland in order to simplify and facilitate curtailed EU-focussed activities.

Colchester Global Investors Limited

Report of the Directors

Investments

The Group makes use of its capital holdings through investments in its own funds to earn a return on reserves, and also to seed new funds ahead of client inflows. Financial risk management objectives and policies are disclosed in note 9.

Post balance sheet events

The final dividend of £10,655k was approved by the board on 23rd June 2022 and paid out on 24th June 2022. No other events occurred after the Statement of Financial Position date, 30th April 2022, that have a material impact on the financial statements. The Directors have not received any further information as at the approved date which has not been reflected in the financial statements as presented.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Ian Sims
Michael Cowan
Keith Lloyd
Michele Connell
Lucy Crawford

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Dividends

A final dividend of £10,655k (2021: £13,169k paid in June 2021) was proposed and approved by the board on 23rd June 2022, with the payment being made on 24th June 2022. Interim dividends approved by the Board and paid during the year totalled £13,240k, of which £6,620k was paid in December 2021 and £6,620k was paid in March 2022 (2020: £7,243k paid in December 2020). There are no other dividends payable as at 30th April 2022 (2021: £NIL).

Disclosure of information to the independent auditors

In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and

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Report of the Directors

Disclosure of information to the independent auditors (continued)

- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have been appointed as the Company's auditors for the financial year ending 30 April 2022, in accordance with the elective resolution passed by the Company under section 487 of the Companies Act 1985 which continues in force under the Companies Act 2006.

On behalf of the Board,

Ian Sims
Chairman
30 June 2022



Keith Lloyd
Director



Colchester Global Investors Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board,

Ian Sims
Chairman
30 June 2022



Keith Lloyd
Director



Independent auditors' report to the members of Colchester Global Investors Limited

Report on the audit of the financial statements

Opinion

In our opinion, Colchester Global Investors Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 April 2022 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Group and Company Statements of Financial Position as at 30 April 2022; the Group Income Statement, the Group Statement of Comprehensive Income, the Group Cash Flow Statement and the Group and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and 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.

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.

Colchester Global Investors Limited

Independent auditors' report to the members of Colchester Global Investors Limited (continued)

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 30 April 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

Colchester Global Investors Limited

Independent auditors' report to the members of Colchester Global Investors Limited (continued)

The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the UK regulatory principles, such as those governed by the Financial Conduct Authority ('FCA'), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries of management, including legal and compliance, including consideration of known or suspected instances of non-compliance with laws and regulations including fraud;
- Reviewing relevant minutes, including Board meeting minutes;
- Reviewing FCA correspondence and the breaches log for instances of non-compliance with laws and regulations;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations and entries posted containing unusual account descriptions; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

Colchester Global Investors Limited

Independent auditors' report to the members of Colchester Global Investors Limited (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Victoria Music (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2022

Colchester Global Investors Limited

Group Income Statement

For the Year Ended 30 April 2022

	Note	2022 £k	2021 £k
Turnover	2	85,256	82,059
Administrative Expenses		<u>(53,687)</u>	<u>(52,439)</u>
Operating profit	3	31,569	29,620
Interest receivable and similar income		9	48
Net gains/ (losses) on investments at fair value		409	(276)
Income from other fixed asset investments		63	129
Interest payable and similar expenses		<u>(9)</u>	<u>(657)</u>
		472	(756)
Profit before tax		32,041	28,864
Tax on profit	4	(6,154)	(5,544)
Profit for the financial year		<u>25,887</u>	<u>23,320</u>

The Group Income Statement has been prepared on the basis that all operations are continuing operations.

The accounting policies and notes on pages 23-42 are integral to the financial statements.

Colchester Global Investors Limited
Group Statement of Comprehensive Income

For the Year Ended 30 April 2022

	2022	2021
	£k	£k
Profit for the financial year	25,887	23,320
Currency translation differences	662	(638)
Total comprehensive income for the year	26,549	22,682

The accounting policies and notes on pages 23-42 are integral to the financial statements.

Colchester Global Investors Limited

Group and Company Statements of Changes in Equity

For the Year Ended 30 April 2022

Group	Called Up Share Capital	Profit and Loss Account	Total Equity
	£k	£k	£k
At 1 May 2020	1,280	38,930	40,210
Profit for the financial year	-	23,320	23,320
Other comprehensive expense	-	(638)	(638)
Total comprehensive income	-	22,682	22,682
Dividends	-	(20,855)	(20,855)
As at 30 April 2021	1,280	40,757	42,037

Group	Called Up Share Capital	Profit and Loss Account	Total Equity
	£k	£k	£k
At 1 May 2021	1,280	40,757	42,037
Profit for the financial year	-	25,887	25,887
Other comprehensive income	-	662	662
Total comprehensive income	-	26,549	26,549
Dividends	-	(26,409)	(26,409)
As at 30 April 2022	1,280	40,897	42,177

Company	Called Up Share Capital	Profit and Loss Account	Total Equity
	£k	£k	£k
At 1 May 2020	1,280	31,953	33,233
Profit for the financial year	-	22,498	22,498
Total comprehensive income	-	22,498	22,498
Dividends	-	(20,855)	(20,855)
As at 30 April 2021	1,280	33,596	34,876

Company	Called Up Share Capital	Profit and Loss Account	Total Equity
	£k	£k	£k
At 1 May 2021	1,280	33,596	34,876
Profit for the financial year	-	25,982	25,982
Total comprehensive income	-	25,982	25,982
Dividends	-	(26,409)	(26,409)
As at 30 April 2022	1,280	33,169	34,449

The accounting policies and notes on pages 23-42 are integral to the financial statements.

Colchester Global Investors Limited
Group Statement of Financial Position

As at 30 April 2022

	Note	2022 £k	2021 £k
Fixed assets			
Intangible assets	5	-	6
Tangible assets	6	280	460
Investments	10	22,146	20,438
Long-term deposit		94	93
		<u>22,520</u>	<u>20,997</u>
Current assets			
Debtors	11	10,605	10,312
Cash at bank and in hand		16,344	29,203
Prepayments and accrued income		10,748	9,812
Creditors: amounts falling due within one year	12	<u>(17,684)</u>	<u>(27,870)</u>
Net current assets		20,013	21,457
Total assets less current liabilities		<u>42,533</u>	<u>42,454</u>
Creditors: amounts falling due after more than one year	12	(356)	(417)
Net assets		<u>42,177</u>	<u>42,037</u>
Capital and reserves			
Called up share capital	14	1,280	1,280
Profit and loss account		40,897	40,757
Total equity		<u>42,177</u>	<u>42,037</u>

The accounting policies and notes on pages 23-42 are integral to the financial statements.

The financial statements on pages 17 to 22 were approved by the Board of directors on 30 June 2022 and were signed on its behalf by:

Ian Sims
Chairman



Keith Lloyd
Director



Colchester Global Investors Limited
Company Statement of Financial Position

As at 30 April 2022

	Note	2022 £k	2021 £k
Fixed assets			
Intangible assets	5	-	6
Tangible assets	6	228	372
Investment in subsidiaries	7	1,308	883
Investments	10	18,765	17,859
		<u>20,301</u>	<u>19,120</u>
Current assets			
Debtors	11	10,078	9,881
Cash at bank and in hand		11,403	22,127
Prepayments and accrued income		9,786	8,772
Creditors: amounts falling due within one year	12	(16,785)	(24,628)
Net current assets		<u>14,482</u>	<u>16,152</u>
Total assets less current liabilities		<u>34,783</u>	<u>35,272</u>
Creditors: amounts falling due after more than one year	12	(334)	(396)
Net assets		<u>34,449</u>	<u>34,876</u>
Capital and reserves			
Called up share capital	14	1,280	1,280
Profit and loss account			
At 1 May		33,596	31,953
Profit for the financial year		25,982	22,498
Dividends		(26,409)	(20,855)
Shares repurchase		-	-
At 30 April		33,169	33,596
Total equity		<u>34,449</u>	<u>34,876</u>

The accounting policies and notes on pages 23-42 are integral to the financial statements. The financial statements on pages 17 to 22 were approved by the Board of directors on 30 June 2022 and were signed on its behalf by:

Ian Sims
Chairman



Keith Lloyd
Director



Colchester Global Investors Limited

Group Cash Flow Statement

For the year ended 30 April 2022

	Note	2022 £k	2021 £k
Net cash inflow from operating activities	17	14,091	21,203
Investing activities			
Interest received		9	48
Purchase of tangible fixed assets		(95)	(123)
Purchase of investments		(2,104)	(4,154)
Proceeds from disposal of investments		493	-
Income from fixed asset investments		63	129
Net cash inflow/ (outflow) from investing activities		(1,634)	(4,100)
Financing activities			
Interest paid		(9)	(1)
Dividends paid		(26,409)	(20,855)
Net cash outflow from financing activities		(26,418)	(20,856)
Net decrease in cash and cash equivalents		(13,961)	(3,753)
Effect of exchange rates on cash and cash equivalents		1,102	(887)
Cash and cash equivalents at 1 May		29,203	33,843
Cash and cash equivalents at 30 April		16,344	29,203

The accounting policies and notes on pages 23-42 are integral to the financial statements.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

1. General Information and Accounting policies

Colchester Global Investors Limited is a private company limited by shares incorporated in the United Kingdom and registered in England. The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

The Company's principal activity is investment management. The Company conducts its activity from its headquarters in London, at its registered address; Heathcoat House, 20 Savile Row, London, W1S 3PR.

a Statement of compliance

The financial statements are prepared on a going concern basis under the historical cost convention, except for those financial assets that have been measured at fair value.

The Group and individual financial statements of Colchester Global Investors Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual income statement.

The Company has taken advantage of the exemption under FRS102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

b Consolidation

The Group consolidated financial statements include the financial statements of the Company and all its subsidiary undertakings made up to 30 April 2022.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

All intra-Group transactions, balances, income, and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

c Judgements in applying accounting policies

There have been no significant judgements in applying accounting policies.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

1. Accounting policies (continued)

d Assumptions and key sources of estimation uncertainty

The Group may from time to time make assessments which require judgements in preparing the accounts and can have a significant effect upon the financial statements. There have been no significant assumptions made or estimation uncertainty within the financial period.

e Revenue recognition

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding, discounts, rebates, VAT and other sales taxes or duty.

Turnover comprises management fees, performance fees and currency research fees at pre-agreed rates and is recognised in the Income Statement once the service has been rendered. Performance fees are recognised in the Income Statement when they crystallise at the end of the performance period.

Interest income is recognised as interest accrues using the effective interest method.

Dividend income, if applicable, would be recognised when the Group's right to receive payment is established.

f Leases

The Group has entered into commercial property leases, as a lessee it obtains use of property. The classification of such leases as operating or finance leases requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Statement of Financial Position.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the term.

The Group does not act as a lessor.

g Foreign currency

Functional and presentation currency

The consolidated financial statements and the Company financial statements are expressed in Sterling which is the functional currency of the Company and the presentation currency. All amounts

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

1. Accounting policies (continued)

g Foreign currency (continued)

in the financial statements and notes have been rounded to the nearest thousand Pounds Sterling (£'000), unless otherwise stated. The financial statements of the Group's individual subsidiary companies are presented in the currency of the primary economic environment in which it operates.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined. The impact of foreign exchange and cash flow risk is monitored on a Group basis.

Foreign exchange gains and losses resulting from the settlement of 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

h Taxation

United Kingdom 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 reporting date. Deferred taxation is provided in full on timing differences that result in an obligation at the reporting 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 the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the reporting date, dividends have been accrued as receivable.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

1. Accounting policies (continued)

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws substantively at the reporting date.

i Financial instruments

Financial assets and financial liabilities are recognised in the Group Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. The Group recognises financial assets initially at fair value from the trade date and continues to recognise them through the Group Income Statement until the rights to receive cash flows have expired or the company has transferred substantially all the risks and rewards of ownership. The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other receivables

Trade and other receivables are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Investments in Subsidiaries

In the Company Statement of Financial Position, investments in subsidiaries are stated at cost less any indicated impairment.

Investments

The Group's investments in funds are measured at fair value through profit and loss. Gains and losses arising from changes in fair value are recognised in the Group Income Statement for the period. The Group has determined that the fair value of investments in private investments funds is the net asset value of the underlying investee funds.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less. For the purpose of the Group Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

1. Accounting policies (continued)

Accounts payable

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as noncurrent liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered.

j. Intangible assets

Software that is not an integral part of the hardware is stated at cost less accumulated amortisation. Such costs include costs directly attributable to making the asset capable of operating as intended.

Amortisation is provided on such software, at rates calculated to write off the cost, less the residual value, of each asset on a straight-line basis over its expected useful life of 2 years.

k. Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less the residual value, of each asset on a straight-line basis over its expected useful life as follows:

Leasehold improvements	1 to 10 years (over the lease term)
Computer equipment	1 to 5 years
Office furniture & equipment	1 to 5 years
Artwork	1 to 10 years (over the lease term)

l. Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation because of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The effect of the time value of money is not material and therefore the provisions are not discounted.

m. Related party transactions

During the year the Group entered transactions with related parties, in the ordinary course of business. Outstanding balances with entities are unsecured and repayable on demand. Interest on balances with group undertakings is charged at an annual rate of 0% (2020: 0%).

n. Dividend Policy

Dividends and other distributions to the group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Board. These amounts are recognised in the Statement of Changes in Equity

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

1. Accounting policies (continued)

o. Administrative expenses

Operating expenses are accrued and recognised as incurred.

2. Turnover

The total turnover of the Group for the year has been derived from its principal activity undertaken in the United Kingdom and represents fees invoiced to third parties for investment management and currency research.

Turnover (continued)	2022	2021
	£k	£k
Turnover by geographical market is as follows:		
United States of America	21,821	25,394
Europe	35,500	31,857
Middle East & Africa	10,603	9,741
Asia	7,216	5,018
Australia & New Zealand	7,945	8,068
Other	2,171	1,981
	<u>85,256</u>	<u>82,059</u>
Turnover by category		
	2022	2021
	£k	£k
Management fees	75,206	76,987
Performance fees	9,970	4,993
Other fees	80	79
	<u>85,256</u>	<u>82,059</u>

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

3. Operating profit

Operating Profit is stated after charging/(crediting):

	2022	2021
	£k	£k
Wages and Salaries	40,397	38,519
Social Security Costs	5,452	5,122
Pension Costs	759	686
Depreciation of tangible fixed assets and amortisation of intangible fixed assets	286	322
Operating lease rentals	874	954
Foreign exchange (gain)/ loss	(298)	658
Fees payable to the Company's Auditors and their associates for:		
Audit of the Company and the Group financial statements	55	50
Other services:		
Audit of the Company's subsidiaries	60	57
Tax and audit-related assurance services	177	126

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

4. Tax on profit

	2022 £k	2021 £k
Analysis of tax charge:		
UK tax	6,135	5,310
UK tax prior period adjustment	-	(3)
Foreign tax	50	(562)
Foreign tax prior period adjustment	(2)	(7)
Total current tax	<u>6,183</u>	<u>4,738</u>
Deferred tax (note 8):		
Origination and reversal of timing differences	(6)	728
Effect of decreased tax rate on opening liability	-	-
Change in Tax rate	1	-
Prior period adjustments	(24)	78
Tax on profit	<u>6,154</u>	<u>5,544</u>
Factors affecting the tax charge:		
Profit before tax	<u>32,041</u>	<u>28,864</u>
Profit before tax multiplied by a tax rate of 19% (2021: 19%)	6,088	5,484
Effects of:		
Disallowed expenses	68	14
Irrecoverable withholding tax	-	2
Non-taxable income	(5)	-
Prior period adjustments	(26)	78
Different tax rates on overseas earnings	29	(34)
Total tax charge	<u>6,154</u>	<u>5,544</u>

The standard rate of UK corporation tax is expected to be maintained at 19% for the financial year beginning 1 April 2022 and 25% for the financial year beginning 1 April 2023, there after as per legislation, regarding financial year commencing 1 April 2023, the tax rate will change to 25%.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

5. Intangible Assets

Group	Computer Software
	£k
<u>Cost</u>	
At 1 May 2021	288
At 30 April 2022	288
<u>Accumulated Amortisation</u>	
At 1 May 2021	282
Charge for the year	6
At 30 April 2022	288
Net book value at 30 April 2021	6
Net book value at 30 April 2022	-
Company	Computer Software
	£k
<u>Cost</u>	
At 1 May 2021	277
At 30 April 2022	277
<u>Accumulated Amortisation</u>	
At 1 May 2021	271
Charge for the year	6
At 30 April 2022	277
Net book value at 30 April 2021	6
Net book value at 30 April 2022	-

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

6. Tangible assets

Group	Leasehold improvements	Computer equipment	Office furniture & equipment	Artwork	Total
<u>Cost</u>	£k	£k	£k	£k	£k
At 1 May 2021	1,477	760	380	83	2,700
Additions	-	95	-	-	95
Write-offs	-	(40)	-	-	(40)
Exchange difference	8	7	3	-	18
At 30 April 2022	1,485	822	383	83	2,773
<u>Accumulated Depreciation</u>					
At 1 May 2021	1,105	725	350	60	2,240
Charge for the year	189	60	17	12	278
Write-offs	-	(40)	-	-	(40)
Exchange difference	5	8	2	-	15
At 30 April 2022	1,299	753	369	72	2,493
Net book value at 30 April 2021	372	35	30	23	460
Net book value at 30 April 2022	186	69	14	11	280
Company	Leasehold improvements	Computer equipment	Office furniture & equipment	Artwork	Total
<u>Cost</u>	£k	£k	£k	£k	£k
At 1 May 2021	1,228	571	251	83	2,133
Additions	-	86	-	-	86
Disposals	-	(28)	-	-	(28)
At 30 April 2022	1,228	629	251	83	2,191
<u>Accumulated Depreciation</u>					
At 1 May 2021	921	556	225	60	1,762
Charge for the year	160	43	14	12	229
Disposals	-	(28)	-	-	(28)
At 30 April 2022	1,081	571	239	72	1,963
Net book value at 30 April 2021	307	15	26	23	371
Net book value at 30 April 2022	147	58	12	11	228

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

7. Investments in Subsidiaries and related undertakings

Company

	£k
At 1 May 2021	883
Additions	425
At 30 April 2022	<u>1,308</u>

Colchester Global Investors (Dublin) Management Limited was incorporated on 2 November 2020 and is a 100% owned subsidiary. The Directors believe that the carrying value of the investments is supported by the underlying net assets. Direct subsidiary undertakings included in the consolidation are as follows:

<u>Name of Company</u>	<u>Class of Shares</u>	<u>% of Class Held</u>	<u>Nature of Business</u>
Colchester Global Investors, Inc 885 Third Avenue 24 th Floor New York, NY 10022 USA (incorporated in the United States of America)	Ordinary	100	Marketing and client servicing
Colchester Global Investors (Singapore) Pte. Ltd. 6 Battery Road, #40-06 Singapore 049909 (incorporated in Singapore)	Ordinary	100	Regional trade execution, Investment management services, marketing, and client servicing
Colchester Global Investors Middle East Limited Index Tower, located at plot 46 (337-0) DIFC Dubai United Arab Emirates (incorporated in Dubai)	Ordinary	100	Marketing and client servicing
Colchester Global Investors (Dublin) Management Limited 10 Earlsfort Terrace Dublin 2, Ireland D02 T380	Ordinary	100	Regional trade execution, Investment management services, marketing, and client servicing

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

8. Deferred Tax

Deferred tax asset/(liability)

	Group		Company	
	2022 £k	2021 £k	2022 £k	2021 £k
Balance at start of year	(29)	765	(35)	(61)
Prior year adjustment	24	(65)	-	-
Origination and reversal of timing differences	6	(729)	31	26
Change in rate	1	-	(1)	-
Balance at end of year	<u>2</u>	<u>(29)</u>	<u>(5)</u>	<u>(35)</u>

Analysis of the deferred tax balance

	Group		Company	
	2022 £k	2021 £k	2022 £k	2021 £k
Fixed asset timing differences	(11)	(29)	(18)	(35)
Short term timing differences	13	-	13	-
Balance at end of year	<u>2</u>	<u>(29)</u>	<u>(5)</u>	<u>(35)</u>

9. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations. The key financial risks include market risk, foreign exchange risk, credit risk, interest rate risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks, and they are summarised below:

Market risk

The Group is exposed to market risk through the movements in the value of its investments that are inherent in the performance of the underlying financial markets. Sensitivity analysis has been carried out albeit the largely neutral nature of the investments involved. We have assessed the implied market volatility of each of the invested funds and have applied both, a positive and negative percentage movement to assess the impact to the various funds' year ending average return. The Group factored in a 4% standard deviation. Year end 2022 +4% Standard deviation: £23,032k, -4% Standard deviation: £21,260k.

Foreign exchange risk

The fair values of investments are denominated in foreign currencies. Foreign exchange risk can be hedged by entering to forward foreign exchange contracts for any material investment denoted in foreign currency.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

Financial risk management objectives and policies (continued)

At 30 April 2022, if Sterling had weakened or strengthened against the US Dollar by a reasonable percentage variance of 14% (2021: 17%), the net profit before tax for the financial year would have been either £3,056k higher or £2,293k lower respectively (2021: £3,094k higher or £2,215k lower).

At 30 April 2022, if Sterling had weakened or strengthened against the Euro by a reasonable percentage variance of 5% (2021: 9%), the net profit before tax for the financial year would have been either £110k higher or £99k lower (2021: £290k higher or £242k lower) respectively.

At 30 April 2022, if Sterling had weakened or strengthened against the Australian Dollar by a reasonable percentage variance of 11% (2021: Nil), the net profit before tax for the financial year would have been either £70k higher or £55k lower (2021: Nil) respectively.

Credit risk

Credit risk refers to the potential risk that arises from clients or counterparties failing to meet their obligations as they fall due. Colchester has adopted a standardised approach to credit risk. The firm's credit risk is limited to unpaid sales ledger invoices plus fee accruals and prepayments. Provision for the non-payment of fees is governed by the agreements in place with clients, the terms of which are subject to confidentiality clauses. Credit risk arising in relation to prepayments is not considered material for the purposes of this disclosure. With regards to the credit risk relating to investments, the Directors do not believe there is a significant risk as all funds are managed by companies within the Group and are liquid investments.

Interest rate risk

The Group earns interest on bank deposits and cash balances and the interest earned is sensitive to movements in interest rates.

At 30 April 2022, if interest rates on bank deposits and cash balances has increased or decreased by a reasonable percentage variance of 1% (2021: 1%), the profit for the financial year would have been £92 higher or lower (2021: £478 higher or lower).

Liquidity risk

Liquidity risk refers to the risk of having insufficient liquid resources to cover cash flow imbalances or fluctuations in funding that are required to meet obligations as they fall due. The Directors do not believe there is significant liquidity risk as assets are maintained in liquid form in such proportion and composition as will always enable liabilities to be met as they arise.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

10. Investments

Collective Investment Schemes

	Group		Company	
	2022 £k	2021 £k	2022 £k	2021 £k
Balance at start of year	20,438	16,817	17,859	14,108
Additions	2,104	4,154	1,307	4,154
Disposals	(493)	-	(493)	-
Gain on foreign exchange	(312)	(257)	-	-
Unrealised gain/ (loss)	409	(276)	92	(403)
Balance at end of year	22,146	20,438	18,765	17,859

Fair Value Hierarchy

In accordance with the fair value hierarchy set out in FRS 102 Section 11, all investments in collective investment schemes have been designated as level 2 financial instruments in 2022 and 2021.

The carrying amounts of the Group's investments are denominated in the following currencies:

Group	2022 £k	2021 £k
US Dollar	18,355	15,595
Euro	2,018	2,940
British Pound	1,230	1,387
Australian Dollar	543	516
	22,146	20,438

Colchester Global Investors Limited investments include interests in:

- a. Statutory Trusts, registered in Delaware, USA: The Colchester Global Bond Fund, The Colchester Real Return Bond Fund, The Colchester Local Markets Debt Fund, The Colchester International Bond Fund, The Colchester Global Bond AI Fund, The Colchester Global Bond (USD Hedged) Fund, The Colchester Combined Global and Local Markets (Unhedged) Bond Fund, The Colchester Global Bond Low Duration Fund, The Colchester Fixed Income Total Return Fund and the Colchester Global Bond Fund – 130/30 Currency Hedged Fund.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

10. Investments (continued)

- b. Sub-funds of The Colchester Multi-Strategy Global Bond Fund plc, an investment company incorporated in Ireland: The Colchester Alpha Fund, The Colchester Local Markets Real Return Bond Fund, The Colchester Global Green Bond Fund, The Colchester Global Bond Fund, The Colchester Local Markets Bond Fund, The Colchester Global Low Duration Bond Fund, The Colchester Global Bond Fund – 130/30 Currency Hedged and The Colchester Global Aggregate Bond Fund, The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund, and The Colchester Global Aggregate Bond Enhanced Currency Fund.
- c. The Local and frontier Markets Bond Fund was seeded in April 2021.
- d. The Company invested into a sub-fund of the Colchester Global Government Bond Fund in Australia during 2022.

Colchester Global Investors Limited provides investment management services to these Funds.

11. Debtors

	Group		Company	
	2022 £k	2021 £k	2022 £k	2021 £k
<u>Amounts falling due within one year</u>				
Trade debtors	9,567	9,604	8,516	8,657
Amounts owed by group undertakings	-	-	1,252	1,051
UK corporation tax recoverable	109	109	109	109
Foreign tax recoverable	711	505	-	-
Deferred tax (note 8)	2	-	-	-
Other debtors	216	94	201	64
	<u>10,605</u>	<u>10,312</u>	<u>10,078</u>	<u>9,881</u>

The amounts owed by group undertakings are payable on demand and not interest bearing.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

12. Creditors

	Group		Company	
	2022 £k	2021 £k	2022 £k	2021 £k
<u>Amounts falling due within one year</u>				
Trade creditors	840	819	823	809
Amounts owed to group undertakings	-	-	695	1,073
Other taxation and social security	303	323	294	301
UK corporation tax payable	307	-	307	-
Foreign tax payable	36	-	-	-
Accruals and deferred Income	16,198	26,728	14,666	22,445
	17,684	27,870	16,785	24,628

	Group		Company	
	2022 £k	2021 £k	2022 £k	2021 £k
<u>Amounts falling due after more than one year</u>				
Provision for dilapidations	328	326	300	300
Lease incentive	28	62	29	61
Deferred tax (note 8)	-	29	5	35
	356	417	334	396

Amounts owed to group undertakings are payable on demand and not interest bearing.

13. Financial Commitments

The commitment in respect of non-cancellable operating leases for land and buildings is as follows:

	2022 £k	2021 £k
Within one year	1,328	1,126
In two to five years inclusive	1,050	1,467
After 5 years	-	-
	2,378	2,593

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

14. Called Up Share Capital for Group and Company

On 10 July 2019, the board adopted new Articles of Association. The amendments resulted in the reclassification of each of the existing 657,248 Ordinary C Shares of 20 pence as Ordinary B shares of 20 pence. The reclassified Ordinary C shares carry voting rights. Furthermore, on 10 July 2019 with appropriate board and shareholder consent, the Company (i) utilised £10,794 of reserves to repurchase 169,695 Ordinary B shares of the Company (including certain former Ordinary C shares) (“the Repurchased Shares”); (ii) the Repurchase Shares were immediately cancelled; and (iii) the Company immediately issued 169,695 bonus Ordinary B Shares to the Ordinary B shares holders. The issued, called up and paid share capital of the Group and Company comprises:

	2022	2021
	£k	£k
Ordinary A Shares of £1 – 622,752 (2021: 622,752)	623	623
Ordinary B Shares of 20 pence – 3,286,240 (2021: 3,286,240)	657	657
Ordinary C shares of 20 pence – Nil (2021: nil)	-	-
	<u>1,280</u>	<u>1,280</u>

Shareholder rights

A and B Shareholders generally have identical rights, in proportion to their percentage of the Ordinary share capital of the Company, except relating to election of Directors, payment of dividends and certain restrictions on transfer of shares. B Shareholders may elect Directors in the ratio of 5 to 3 for the A Shareholders. Prior to the corporate actions referred to above, C Shareholders had no rights of control but were entitled to receive dividends in proportion to their percentage of the Ordinary share capital of the Company. Additional detail on the rights of Shareholders is contained in the Company’s Articles of Association.

Dividends proposed and paid	Date paid	2022	Date paid	2021
		£k		£k
Final dividend paid	June 2021	13,169	June 2020	13,612
Interim dividend paid	December 2021	6,620	December 2020	7,243
Interim dividend paid	March 2022	6,620	April 2021	-
		<u>26,409</u>		<u>20,855</u>

The final dividend of £10,655k was approved by the board on 23rd June 2022 and paid out on 24th June 2022.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

15. Directors' Remuneration

The amounts stated below reflect remuneration earned in the year and included in employment costs.

	2022	2021
	£k	£k
Emoluments	27,194	26,365
Company contributions to pension scheme	125	124
	<u>27,319</u>	<u>26,489</u>
Highest paid director		
Emoluments	14,251	13,800
Company contributions to pension scheme	50	50
	<u>14,301</u>	<u>13,850</u>
	2022	2021
	No.	No.
The number of directors who were members of defined contribution schemes	3	3

There are no directors to whom retirement benefits are accruing under money purchase/defined benefit pension schemes.

The Company does not remunerate non-executive directors.

The total compensation of Key Management Personnel of the Company is £37,762k (2021: £37,730k).

16. Employees

The monthly average number of employees during the year including executive Directors, by activity was:

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Investment	23	22	18	17
Marketing & Client Services	17	17	7	7
Operations	15	16	12	13
Compliance & Corporate Services	27	27	22	23
	<u>82</u>	<u>82</u>	<u>59</u>	<u>60</u>

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

16. Employees (continued)

Employment Costs

	Group		Company	
	2022	2021	2022	2021
	£k	£k	£k	£k
Wages and salaries	40,397	38,519	35,356	33,575
Social security costs	5,452	5,122	5,213	4,862
Pension costs	759	686	592	547
	46,608	44,327	41,161	38,984

The pension schemes operated for employees are defined contribution schemes and the cost to the Group for the year was £759k (2021: £686k). Outstanding contributions at the end of the year were £57k (2021: £3k).

17. Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	2022	2021
	£k	£k
Operating profit	31,569	29,620
Depreciation and amortisation	286	322
Decrease/(increase) in debtors	(1,021)	1,791
Decrease in creditors	(10,558)	(6,201)
Taxation	(6,185)	(4,329)
Net cash inflow from operating activities	14,091	21,203

<u>Cash at bank and in hand</u>	At 1 May 2021	Cash Flow	Exchange Difference	Other Non-cash movements	At 30 April 2022
	£k	£k	£k	£k	£k
Cash at bank	29,203	(13,961)	1,102	-	16,344

18. Related Party Transaction

Silchester Partners Limited ("Silchester") owns 100% of the Ordinary A Shares of £1 each, being 48.6525% of the total shares of the Company.

Colchester Global Investors Limited

Notes to the Financial Statements

For the year ended 30 April 2022

18. Related Party Transaction (continued)

Under an agreement dated 1 November 2010, the Company makes available to Silchester International Investors LLP (a related party of the Company by virtue of a majority interest in the partnership held by Silchester) its research on various currency and economic measures on a monthly basis. An annual fee of £20k has been agreed. Fees received under this agreement in the year to 30 April 2022 total £20k (2021: £20k). No amounts were outstanding at the end of the year.

During the year ended 30 April 2022, the Group received from The Colchester Multi-Strategy Global Bond Fund plc management fees of £17,238k (2021: £16,291k), of which £1,355k (2020: £1,336k) remained payable at 30 April 2022.

Directorships

Keith Lloyd, a director of the Company, is also a director of Colchester Global Investors (Singapore) Pte. Ltd., The Colchester Multi-Strategy Global Bond Fund plc, Colchester Global Investors Middle East Limited, and Colchester Global Investors (Dublin) Management Limited.

Michael Cowan, a director of the Company, is also a director of Silchester.

Directorships (continued)

Michele Connell, a director of the Company, is also a director of The Colchester Multi-Strategy Global Bond Fund plc.

As at 30 April 2022 Company Directors and their related parties held 89.3% (2021: 89.3%) of the Company's shares and subsidiary company directors and their related parties held 0.8% (2021: 1.1%) of the Company's shares.

19. Controlling Party

The directors consider Ian Sims to be the ultimate controlling party.

20. Subsequent events

The final dividend of £10,655k was approved by the board on 23rd June 2022 and paid out on 24th June 2022. No other events occurred after the Statement of Financial Position date, 30th April 2022, that have a material impact on the financial statements. The Directors have not received any further information as at the approved date which has not been reflected in the financial statements as presented.