

**Company Registration No. 03508646**

# **THISIS UNIT TRUST MANAGEMENT LIMITED**

**Report and Financial Statements  
30 April 2024**

# THEESIS UNIT TRUST MANAGEMENT LIMITED

## Report and Financial Statements 30 April 2024

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# **THEISIS UNIT TRUST MANAGEMENT LIMITED**

## **Report and Financial Statements 30 April 2024**

### **Officers and Professional Advisers**

#### **Directors**

N C Palios  
D W Tyerman  
S R Mugford  
D K Mytnik  
S E Noone  
V R Smith  
C J Willson  
C A E Lawson (appointed 8 December 2023)  
G M Stewart (resigned 8 December 2023)

#### **Secretary**

Irwin Mitchell Secretaries Limited

#### **Registered Office**

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

#### **Banker**

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

#### **Solicitor**

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

#### **Auditor**

Grant Thornton LLP  
30 Finsbury Square  
London  
EC2A 1AG

# THEISIS UNIT TRUST MANAGEMENT LIMITED

## Strategic Report

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

### Principal Activities

Thesis Unit Trust Management Limited ("Tutman") is authorised and regulated by the Financial Conduct Authority ("FCA") and has the permission necessary to act as an Authorised Corporate Director ("ACD") of collective investment schemes. The firm was also authorised by the FCA under the Alternative Investment Fund Management Directive ("AIFMD") on 20 July 2014.

Tutman is a leading provider of independent fund management services to the wealth management and investment management communities. Tutman obtained the specific regulatory permissions to act as an Authorised Fund Manager of collective investment schemes in 1998 and managed 153 funds with £36.33 billion assets under management at 30 April 2024.

The Tutman business model applies the concept of open architecture and provides independent, bespoke and flexible solutions for fund sponsors and investors. The Company's role is both to create the chosen investment vehicle and then to manage it efficiently, compliantly and independently on behalf of investors. In this role, Tutman takes overall responsibility for the investment management and administration of the fund but outsources those activities to professional asset managers and fund administrators whose performance it monitors constantly.

### Fair Review of Performance

#### *Results*

The Company reported an operating profit for the year of £4.11m (2023 (restated): £2.87m).

#### *Performance*

During the year the Company increased its sponsor relationships to 88 (2023: 81). The business experienced net outflows from its existing funds of £673m. However, the growth in the number of funds managed, together with rising markets, resulted in funds under management rising by £15.73bn to £36.33bn (2023: £20.60bn).

The large increase in funds under management included the transfer to the Company of a fund range with a value of approximately £12.5bn. The project completed on schedule on 30 September 2023.

As a result of the growth in funds under management, turnover also rose by 20% to £164.49m. After accounting for payments made to fund delegates, whose charges also depend on funds under management, gross profit increased by 15% to £11.72m. Overheads increased by just 4% to £7.61m. This resulted in the 43% increase in operating profit noted above.

The Company has continued to hold significant levels of cash during the year and has taken advantage of the increase in bank base rates during the last 18 months to increase the interest earned on this cash. As some of the interest earned derives from contracts with customers, the benefit of the increased revenue is apparent both in revenue and interest receivable.

#### *Acquisition*

During the year, Tutman acquired ConBrio Fund Partners Limited ("CFP"), a business with the permissions to act as an ACD and which had funds under management of £809m. The consideration for the transaction was £1.1m. The acquisition was finalised on 8 December 2023. Further details are provided in note 8.

#### *Fund Closure*

The Company operates a Property Authorised Investment Fund ("PAIF"), known as the TM Hearthstone ICVC. On 31 July 2023 the fund was suspended and the termination of the fund commenced on 1 December 2023. The assets in the funds are in the process of being realised with periodic distributions to investors.

#### *Key Performance Indicators*

The primary driver of growth for the business is its funds under management figure as all revenue earned is calculated on an ad valorem basis. Growth in funds under management can be achieved both through additional investment received into existing funds or through the launch of additional funds for a sponsor.

## THESIS UNIT TRUST MANAGEMENT LIMITED

### Strategic Report (continued)

#### Fair Review of Performance (continued)

##### *Key Performance Indicators (continued)*

For this reason, Tutman measures its performance against the three principal Key Performance Indicators listed below.

	<b>2024</b>	<b>2023</b>
Funds under management / £m	36,333	20,599
Number of funds managed	153	136
Number of sponsor relationships	88	81

During the year, 17 new funds were launched or transferred to the Company's control while no funds were closed. The Hearthstone fund continues to be included in these numbers while the assets are being realised.

Several of the Company's funds comprise a number of sub-funds. Where these pursue distinct investment objectives they are recognised as separate funds and included individually in the analysis above.

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

#### Corporate Governance

The Board has ultimate responsibility for oversight of the business. Management of the business and its operations is the responsibility of the Chief Executive Officer ("CEO"), supported by the Management Committee. This committee meets monthly and is chaired by the CEO. It is supported by 4 sub-committees each performing oversight on important business functions.

##### Board Committees

The Board has the following sub-committees:

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

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

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

*Assessment of Value Committee:* this committee, composed entirely of non-executive Board members, performs an annual assessment of each fund operated by the Company to ensure it continues to provide value to investors and that the Company is meeting its obligation to act in the best interests of those investors.

#### Principal Risks and Uncertainties

##### *Risk Management*

Tutman is classified by its regulator as a Collective Portfolio Management ("CPM") firm. The regulations applying to it include a requirement to implement effective internal risk management policies and procedures in order to identify, measure, manage and monitor risks appropriately, and to maintain financial resources adequate to the assessed risk profile of the business.

The Board holds overall accountability for the risk management processes and culture in the Company. It has approved an enterprise risk management policy which sets out the high level principles to be followed to achieve sound risk management in the business. This is delivered through:

- The articulation and quantification of risk appetite statements;
- The assignment of roles and responsibilities throughout the business; and
- A strong risk culture sponsored by senior management and followed by all employees.

## **THEISIS UNIT TRUST MANAGEMENT LIMITED**

### **Strategic Report (continued)**

#### **Principal Risks and Uncertainties (continued)**

##### *Risk Management (continued)*

The Company operates with a recognised three lines of defence model. Within this model, the first line teams have primary responsibility for identifying and managing risks. All employees are expected to take ownership of the risks relevant to their role.

The second line of defence are standard setters within the business performing oversight of, and providing challenge to, the first line teams.

The third line provides independent assurance to the governing body that policies and procedures are followed and maintained in a way that ensures effective risk management. The third line review covers both the first line teams and the second line compliance and risk functions. BDO LLP were appointed to perform this function in July 2021.

##### *Uncertainties*

The Company has assessed the categories of risk to which it is exposed and has developed formal risk appetite statements for each category. These are reviewed and approved at least annually by the Board. The specific risks to which the Company is exposed are recorded in its risk register along with the controls established to manage them. The risks are grouped according to the established taxonomy.

A series of Key Risk Indicators (“KRIs”) have been established to demonstrate that the controls continue to operate as expected. The risks themselves are also reviewed regularly to identify any changes brought about by external events or the development of the business.

The business monitors the economic and political environment and other external events constantly to identify emerging risks. Its business model and strategy have remained unchanged this year and, consequently, so too have the principal risks faced. These are discussed further in note 14 to the financial statements.

#### **Future Developments in the Business**

##### *Growth*

The Company has established relationships with 3 of the largest transfer agency businesses in the UK and 3 fund accountants. These relationships enable the Company to work with a broad range of fund sponsors and are expected to enable it to continue to expand.

##### *Regulations*

As part of its drive to improve the protections for investors, the FCA introduced Consumer Duty rules. These took effect on 31 July 2023. The Board appointed a Consumer Duty Champion in October 2022 and approved a project plan designed to ensure the Company complied with the new requirements. The detailed project plan comprised 11 workstreams and was implemented by a Consumer Duty Working Group, which built upon and expanded existing practices. Both the Board and the management group receive and review management information on a regular basis.

## THESIS UNIT TRUST MANAGEMENT LIMITED

### Strategic Report (continued)

#### Principal Risks and Uncertainties (continued)

##### Section 172(1) Statement

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

<b>Section 172 requirement</b>	<b>Examples of how the Board has addressed this</b>
<ul style="list-style-type: none"><li>• The likely consequences of any decision in the long term.</li></ul>	<ul style="list-style-type: none"><li>• The Board reviewed and approved the annual budget and capital plan together with a recruitment proposal for the year ahead.</li></ul>
<ul style="list-style-type: none"><li>• The interests of the company's employees</li></ul>	<ul style="list-style-type: none"><li>• The Board approved the payment of a dividend to its parent during the year. This was approved after reviewing its forecast profitability, liquidity requirements and growth expectations.</li><li>• The business approved an interim bonus award to staff in December 2023.</li><li>• Employees receive training and Continuous Professional Development each year. This takes the form of solo study, external training courses or informal internal events such as training lunches led by different departments. Staff have received training during the year on the Consumer Duty regulations, which come into effect in July 2023.</li></ul>
<ul style="list-style-type: none"><li>• The need to foster the company's business relationships with suppliers, customers and others</li></ul>	<ul style="list-style-type: none"><li>• The Company maintains a policy of prompt payment of suppliers once invoices are received and approved.</li><li>• The Assessment of Value committee has further developed its procedures this year, refining its assessment process, and has challenged the assessment of several funds during the year.</li><li>• The Company has a number of individuals who participate on committees of key industry bodies.</li></ul>
<ul style="list-style-type: none"><li>• The impact of the company's operations on the community and the environment</li></ul>	<ul style="list-style-type: none"><li>• The Company maintained its policy of requiring all investment managers appointed on its funds to vote on shareholder resolutions.</li><li>• The business continued its policy of flexible home working, allowing staff, as far as possible, to determine the appropriate proportion of time to be spent in the office.</li></ul>
<ul style="list-style-type: none"><li>• The desirability of the company maintaining a reputation for high standards of business conduct.</li></ul>	<ul style="list-style-type: none"><li>• All staff receive annual training on conduct, business standards, integrity and ethics.</li></ul>
<ul style="list-style-type: none"><li>• The need to act fairly as between members of the company.</li></ul>	<ul style="list-style-type: none"><li>• The Company's ordinary shares are all held by Thesis Holdings Limited and are not listed.</li></ul>

## THEESIS UNIT TRUST MANAGEMENT LIMITED

### Strategic Report (continued)

#### Remuneration Code

The Company is subject to the FCA rules on remuneration. These are located in chapters 19B and 19E of the senior management arrangements, systems and controls sourcebook (SYSC) of the FCA handbook. The Company maintains appropriate policies and practices for staff whose professional activities have a material impact on the firm's risk profile. Further details are published on the Company's website ([www.tutman.co.uk](http://www.tutman.co.uk)).

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



[DWTyerman \(Jul 31, 2024 16:30 GMT+1\)](#)

**D W Tyerman**

Director

Exchange Building

St John's Street

Chichester

West Sussex

PO19 1UP



## **THESIS UNIT TRUST MANAGEMENT LIMITED**

### **Directors' Report**

The directors present their annual report and the audited financial statements of Thesis Unit Trust Management Limited for the year ended 30 April 2024.

### **Events During the Year**

Significant events during the year are discussed in the Strategic Report.

### **Results and Dividends**

The results for the year are set out in the profit and loss account on page 14. Profit after tax for the year was £4,138,000 (2023: £3,005,000).

A final dividend of £1,750,000 will be proposed and paid following the signing of these accounts. A dividend of £2,000,000 was paid in the previous financial year.

### **Going Concern**

The Company continues to operate profitably with improvement reported this year in each of its key performance indicators. The operating model is also highly cash generative. The business held cash at 30 April 2024 of £30,619,000 (2023: £27,961,000) and is in a position to benefit from the higher interest rate environment.

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

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

### **Streamlined Energy and Carbon Reporting**

The UK government has made it mandatory for firms to report on climate metrics, aligned with the Task Force on Climate-related Financial Disclosures (TCFD). This has been implemented through the FCA's Environmental, Social and Governance (ESG) Sourcebook. Tutman has appointed Carbon Footprint Limited, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'. More details can be found on Tutman's website [Tutman-TCFD-report-2024-Entity-level.pdf](#)

### **Directors**

The following directors held office throughout the year and to the date of signing of the financial statements, save as noted below.

N C Palios  
D W Tyerman  
S R Mugford  
D K Mytnik  
S E Noone  
V R Smith  
C J Wilson  
C A E Lawson (Appointed 8 December 2023)  
G M Stewart (resigned 8 December 2023)

## THEESIS UNIT TRUST MANAGEMENT LIMITED

### Directors' Report (continued)

#### Disclosure of Information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

#### Independent Auditor

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

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



[DWTyerman \(Jul 31, 2024 16:30 GMT+1\)](#)

#### **D W Tyerman**

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

## THEISIS UNIT TRUST MANAGEMENT LIMITED

### Directors' Responsibility Statement

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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



[DWTyerman \(Jul 31, 2024 16:30 GMT+1\)](#)

#### **D W Tyerman**

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

## **Independent auditor's report to the members of Thesis Unit Trust Management Limited**

### **Opinion**

We have audited the financial statements of Thesis Unit Trust Management Limited (the 'company') for the year ended 30 April 2024, which comprise of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

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

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

### **Other information**

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

## **Independent auditor's report to the members of Thesis Unit Trust Management Limited (continued)**

### **Other information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

### **Responsibilities of directors for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the most significant laws and regulations were United

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## **Independent auditor's report to the members of Thesis Unit Trust Management Limited (continued)**

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

- Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 as applied to the Company;
- We enquired of the directors and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's meeting minutes, inspection of the breaches register, and inspection of legal and regulatory correspondence to the regulator, the Financial Conduct Authority (the 'FCA');
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - Evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - Testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
  - Challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement leader's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the Company operates;
  - Understanding of the legal and regulatory frameworks applicable to the Company.
- We communicated relevant laws and regulations and potential fraud risks to all the engagement team members, and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the company's operations, including the nature of its investments, sources of income, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
  - the company's control environment to mitigate risks of fraud or non-compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report to the members of Thesis Unit Trust Management Limited (continued)**

**Use of our report**

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

*Marcus Swales*

[Marcus Swales \(Jul 31, 2024 17:38 GMT+1\)](#)

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

31 July 2024

THEESIS UNIT TRUST MANAGEMENT LIMITED

**Profit and Loss Account and Other Comprehensive Income**  
**Year Ended 30 April 2024**

	Note	2024 £'000	2023 £'000 (restated)*
Turnover	2	164,487	137,343
Cost of sales		<u>(152,766)</u>	<u>(127,140)</u>
<b>Gross Profit</b>		11,721	10,203
Operating and administrative expenses	3	<u>(7,606)</u>	<u>(7,331)</u>
<b>Operating Profit</b>		4,115	2,872
Income from investment in group undertaking		329	268
Interest receivable and similar income	6	<u>565</u>	<u>170</u>
<b>Profit on ordinary activities before taxation</b>		5,010	3,310
Tax on profit on ordinary activities	7	<u>(872)</u>	<u>(305)</u>
<b>Profit for the financial year</b>		<u><u>4,138</u></u>	<u><u>3,005</u></u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>4,138</u></u>	<u><u>3,005</u></u>

\*See note 22

All activities derive from continuing operations in the current and prior year.

The notes on pages 17 to 28 form an integral part of the financial statements.



**THESIS UNIT TRUST MANAGEMENT LIMITED****Balance Sheet****At 30 April 2024**

	<b>Note</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
<b>FIXED ASSETS</b>			
Investments in subsidiaries	8	3,799	2,536
<b>CURRENT ASSETS</b>			
Debtors	9	160,071	140,052
Cash at bank and in hand		30,619	27,961
		<u>190,690</u>	<u>168,013</u>
Creditors: amounts falling due within one year	10	<u>(170,120)</u>	<u>(148,072)</u>
<b>NET CURRENT ASSETS</b>		<u>20,570</u>	<u>19,941</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		24,369	22,477
Creditors: amounts falling due after more than year	11	(35)	(35)
Provision for liabilities	12	(82)	(328)
<b>NET ASSETS</b>		<u>24,252</u>	<u>22,114</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	5,673	5,673
Profit and loss account		18,579	16,441
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>24,252</u>	<u>22,114</u>

The notes on pages 17 to 28 form an integral part of the financial statements.

These financial statements of Thesis Unit Trust Management Limited (registered number 03508646) were approved by the Board of Directors and authorised for issue on 31 July 2024.

Signed on behalf of the Board of Directors

  
[D W Tyerman \(Jul 31, 2024 16:30 GMT+1\)](#)

**D W Tyerman**  
 Director

THEESIS UNIT TRUST MANAGEMENT LIMITED

**Statement of Changes in Equity**

**30 April 2024**

	<b>Called Up Share Capital £'000</b>	<b>Profit and Loss Account £'000</b>	<b>Total £'000</b>
Balance at 1 May 2023	5,673	16,441	22,114
<b>Total comprehensive income</b>			
Profit for the year	-	4,138	4,138
Dividend paid	-	(2,000)	(2,000)
<b>Balance at 30 April 2024</b>	<u>5,673</u>	<u>18,579</u>	<u>24,252</u>

	<b>Called Up Share Capital £'000</b>	<b>Profit and Loss Account £'000</b>	<b>Total £'000</b>
Balance at 1 May 2022	5,673	13,936	19,609
<b>Total comprehensive income</b>			
Profit for the year	-	3,005	3,005
Dividend paid	-	(500)	(500)
<b>Balance at 30 April 2023</b>	<u>5,673</u>	<u>16,441</u>	<u>22,114</u>

The notes on pages 17 to 28 form an integral part of the financial statements.

## **Notes to the Accounts**

### **1. Accounting Policies**

#### **Basis of Preparation**

Thesis Unit Trust Management Limited is a company limited by shares and incorporated and domiciled in the UK.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS102") as issued in August 2014 and on the historical cost basis. The presentation currency of the financial statements is sterling and monetary amounts are rounded to the nearest £000 unless where otherwise stated.

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

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

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

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

#### **Going Concern**

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

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

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

#### **Investment in Subsidiary**

The Company holds investments in subsidiary undertakings at cost, less any assessed impairment in value. The Company tests whether an investment has suffered any impairment on an annual basis. The recoverable amount of the cash-generating units is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections. These are based on the annual budget and forecasts of the business covering the next five years. Cash flows beyond this period have been extrapolated using growth rates consistent with past performance and management expectations for the future, after taking account of market conditions at the end of the reporting period.

#### **Acquisition of Investment**

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

## THESIS UNIT TRUST MANAGEMENT LIMITED

### Notes to the Accounts (continued)

#### 1. Accounting Policies (continued)

##### Intercompany Loans

Intercompany loans that are non-interest bearing are measured at amortised cost.

##### Basic Financial Instruments

###### *Investments*

Investments held as fixed assets, including investments in subsidiaries, are stated at cost less provision for any impairment in value.

###### *Trade and Other Debtors/Creditors*

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

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

###### *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash balances, call deposits and money market funds.

###### *Other Financial Instruments*

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

##### Related Parties

The Company is a wholly owned subsidiary of Thesis Holdings Limited. The ultimate parent undertaking of both is Regit Topco Limited, a company incorporated in Jersey and which prepares consolidated financial statements. The Company has taken advantage of the exemption contained in paragraph 33.1A of FRS102 and has therefore not separately disclosed transactions or balances with entities which form part of the Regit Topco Limited Group.

##### Presentation of Unsettled Trades

The Company acts as an authorised corporate director or manager for OEICs and unit trusts respectively and, on a matched bargain basis, trades as principal when investors buy or sell units in one of the funds. The directors consider that it is appropriate to present the gross amount of any unsettled trades on the balance sheet as this provides a fairer presentation of the result and of the financial position of the Company.

Any cash balances arising in respect of such trades are held in operating accounts and included on the balance sheet within Cash at bank and in hand.

##### Turnover

In accordance with the revenue recognition principles set out within FRS102 turnover represents all economic benefits expected to flow to the Company as a result of its contracts with its customers. Turnover comprises a mixture of fees, commissions and interest earned in the provision of services representing the Company's ordinary activities and is recognised on an accruals basis. Income derived from unit dealing is recognised on a receivable basis.

Income accruals are made primarily in respect of the annual management fees charged to each fund. These are charged to the funds monthly in arrears and an accrual is made at each period end, based on the rate applicable to each fund and the most recent valuation of the fee earned since the last charging date.

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

All income excludes value added tax.

##### Operating and Administrative Expenses

Throughout the current and prior years the Company was part of a group. Some operating and administrative expenses, including staff costs and premises, were incurred by a fellow subsidiary company Thesis Services Limited, and an appropriate recharge was made to the Company (note 3). Staff costs were also directly incurred by the Company (note 5).

## Notes to the Accounts (continued)

### 1. Accounting Policies (continued)

#### Interest Receivable and Interest Payable

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

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### Taxation

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

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

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

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

### 2. Turnover

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

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b> <b>(restated)*</b>
Fund management fees	163,340	137,007
Interest receivable	940	205
Income / (expense) derived from unit dealing	11	5
Charge for services provide to subsidiary undertaking	196	126
<b>Turnover</b>	<b>164,487</b>	<b>137,343</b>
Fund administration and investment charges	<u>(152,766)</u>	<u>(127,140)</u>
<b>Gross profit</b>	<b><u>11,721</u></b>	<b><u>10,203</u></b>

\*see note 22

## THEISIS UNIT TRUST MANAGEMENT LIMITED

### Notes to the Accounts (continued)

#### 3. Operating and Administrative Expenses

Operating and administrative expenses includes the following charges:

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Staff costs	1,752	1,382
Group management charge	3,238	3,036

The group management charge includes the following elements:

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Charge for use of tangible fixed assets	80	64
Rentals payable under operating leases for premises	83	107
Staff costs and directors' remuneration	1,707	1,303

Operating lease commitments disclosed in note 17 are based on the terms of the relevant non-cancellable lease.

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
<b>Auditors' remuneration:</b>		
Fees payable to the Company's auditor in respect of:		
Audit services	30	29
Audit-related assurance services	80	73
	<u>110</u>	<u>102</u>

#### 4. Directors' Remuneration

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
<b>Directors' remuneration:</b>		
Directors' emoluments	612	568
Group contribution to defined pension schemes	47	42
	<u>659</u>	<u>610</u>

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
The remuneration of the highest paid director was:		
Directors' emoluments	202	197
Group contribution to defined pension schemes	18	16
	<u>220</u>	<u>213</u>

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

D K Mytnik and V R Smith are remunerated by Thesis Holdings Limited. N C Palios, D W Tyerman and S R Mugford are remunerated by Thesis Services Limited. The remuneration of directors is based on management's assessment of the time spent by each on Company business during the financial year.

## Notes to the Accounts (continued)

### 5. Staff Numbers and Costs

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

	<b>2024</b>	<b>2023</b>
Client services	6	5
Support services	4	4
Oversight	14	15
	<u>24</u>	<u>24</u>

Within oversight are two independent Non-Executive Directors who sit on the Assessment of Value Committee and are employed by the Company. Further details are included within Note 4.

The aggregate payroll cost of these persons was as follows:

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Wages and salaries	1,432	1,188
Social security costs	157	122
Pension costs (note 16)	86	72
	<u>1,675</u>	<u>1,382</u>

### 6. Interest Receivable and Other Income

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b> <b>(restated)*</b>
Bank interest receivable	501	120
Rental income and other office costs	64	50
	<u>565</u>	<u>170</u>

\*see note 22

### 7. Tax on Profit on Ordinary Activities

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

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Current tax on profit for the year	(842)	(301)
Adjustment in respect of prior years	(30)	(2)
	<u>(872)</u>	<u>(303)</u>
Deferred tax on profit on ordinary activities:	1	(2)
Timing differences, origination and reversal	(1)	-
	<u>(872)</u>	<u>(305)</u>

## Notes to the Accounts (continued)

### 7. Tax on Profit on Ordinary Activities (continued)

#### (b) Factors affecting tax charges for the current period

The tax assessed for both the current and previous years is lower than that resulting from applying the standard rate of corporation tax in the UK of 25.0% (2023: 25%).

The differences are explained below:

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Profit on ordinary activities before taxation	5,010	3,311
United Kingdom corporation tax at 25% (2023: 19.5%)	(1,253)	(646)
Effects of:		
Group relief surrendered for nil consideration	410	342
Expenses not deducted for tax purposes	-	-
Movement in short term timing differences	1	(5)
Changes in tax rates	-	6
Prior year adjustment – current tax	(30)	(2)
	<u>(872)</u>	<u>(305)</u>

### 8. Investments

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Opening investment in subsidiary at cost	2,536	2,536
Acquisition of a subsidiary	1,263	-
Impairment	-	-
Closing investment in subsidiary at cost	<u>3,799</u>	<u>2,536</u>

#### Tutman LLP

Tutman has an investment in a subsidiary undertaking, Tutman LLP (“the LLP”). The LLP is a Limited Liability Partnership and is incorporated in Great Britain and registered in England and Wales under the Limited Liability Partnerships Act 2000. Its registered address is Exchange Building, St John’s Street, Chichester, West Sussex PO19 1UP. The principal activity of Tutman LLP is the management of unit trusts and Open-ended Investment Companies (OEICs). For this purpose it is authorised and regulated by the Financial Conduct Authority (“FCA”).

At 30 April 2023, Tutman held a 99% interest in the ordinary members’ capital of the LLP.

During the year, Tutman LLP recorded a profit before members’ remuneration of £333,000 (2023: £271,000) and had net assets of £912,000 (2023: £913,000).

#### ConBrio Fund Partners Limited

During the year Tutman completed the acquisition of ConBrio Fund Partners Limited (“CFP”). CFP is a Limited Company and is incorporated in Great Britain and registered in England and Wales. Its registered address is Exchange Building, St John’s Street, Chichester, West Sussex PO19 1UP. The principal activity of ConBrio Fund Partners Limited is the management of Open-ended Investment Companies (OEICs). For this purpose it is authorised and regulated by the Financial Conduct Authority (“FCA”).

The acquisition of CFP was completed on 8 December 2023 and has recorded profit before tax from that date to 30<sup>th</sup> April 2024 of £17,000.



## Notes to the Accounts (continued)

### 8. Investments (continued)

#### Impairment

An impairment assessment was performed at the reporting date based on the multi-year forecast for the LLP. This concluded that there has been no further impairment.

### 9. Debtors

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Trade debtors	149,924	129,924
Deferred tax	32	31
Amounts owed by group undertakings	9,972	9,956
Prepayments and accrued Income	143	141
	<u>160,071</u>	<u>140,052</u>

Within trade debtors there is £131,479,000 (2023: £117,082,000) owed to the Company in respect of the creation or liquidation of units in OEICs and unit trusts for which the Company acts as authorised corporate director or manager respectively.

On 4 October 2019, the Company entered into a non-interest bearing loan agreement, as Lender with Thesis Holdings Limited as Borrower. The loan was for a maximum amount of £12,500,000 and as at 30 April 2024, an amount of £9,250,000 has been drawn down. The amount is repayable on demand.

The Company's immediate parent entity, Thesis Holdings Limited, and two other group entities, Regit Holdco Limited and Regit Finco Limited, have entered into a debenture creating security over their assets in favour of a lender. The bank loan was drawn down on 27 July 2017. On 31 October 2019, consequent to having entered into the loan agreement with Thesis Holdings, the Company acceded to the terms of an Inter-Creditor Agreement (ICA) between the parties, in the capacity of an Intra-Group Lender. The ICA has no impact on the normal operations of the business of the Company or of the group. However, in the event of a group insolvency, it would give the lender the right to intervene to control, and possibly restrict, the repayment of any intra-group balances.

### 10. Creditors – Amounts Falling Due Within One Year

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Trade creditors	131,714	118,504
Corporation tax	507	116
Amount owed to group undertakings	541	413
Other creditors, including taxation and social security	45	41
Accruals and deferred income	37,313	28,998
	<u>170,120</u>	<u>148,072</u>

Within trade creditors there is £131,686,000 (2023: £118,503,000) owed by the Company in respect of the creation or liquidation of units in OEICs and unit trusts for which the Company acts as authorised corporate director or manager respectively.

### 11. Creditors – Amounts Falling Due After More Than One Year

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Accruals and deferred income	35	35
	<u>35</u>	<u>35</u>

The Company operates a performance related bonus scheme which, for selected employees, requires the payment of a percentage of their annual bonus award to be deferred for three years. The deferred element is therefore shown as falling due after more than one year.

## Notes to the Accounts (continued)

### 12. Provision for liabilities

	Deferred taxation (Note 13) £'000	Dilapidations provision £'000	Other provisions £'000	Total £'000
At 1 May 2023	21	(82)	(246)	(307)
Charged to profit and loss	5	-		5
Utilisation of provision			246	246
	<u>26</u>	<u>(82)</u>	<u>-</u>	<u>(56)</u>
At 30 April 2024	<u>26</u>	<u>(82)</u>	<u>-</u>	<u>(56)</u>

During the prior year the Company received a claim for compensation from one of its fund sponsors who believed that they had been exposed unnecessarily to a tax charge as a result of the way the fund had been invested. The Company has now settled the case with the sponsor and the insurers are arranging the final settlement less the excess. The provision has therefore been released.

### 13. Deferred Tax

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

	2024 £'000	2023 £'000
Employee benefits	11	10
Dilapidations	21	21
	<u>32</u>	<u>31</u>

### 14. Financial Instruments

	2024 £'000	2023 £'000
<b>Financial Assets</b>		
Measured at undiscounted amount		
Trade and other debtors	18,445	11,420
Settlement balances	131,479	118,504
Cash and cash equivalents	30,619	27,961
	<u>180,543</u>	<u>157,885</u>
<b>Financial Liabilities</b>		
Measured at undiscounted amount		
Trade and other creditors	71	1,463
Settlement balances	131,686	117,082
	<u>131,757</u>	<u>118,545</u>

### 15. Risk Management Disclosures

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

## Notes to the Accounts (continued)

### 15. Risk Management Disclosures (continued)

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

Credit Risk	<p>This is the risk that a counterparty will not meet their financial obligations to the business. This risk manifests itself in two key areas: banking and collection of the annual management charge from funds.</p> <p>The Company manages the banking risk by placing cash only with large, well-capitalised banks with a strong credit rating and tier 1 capital ratio. It further diversified its cash balances during the year by placing surplus cash into two AAA-rated money market funds.</p> <p>The business follows a policy of open architecture in the operations of its funds. This means that it works with a number of depositaries, fund accountants and custodians and this diversification minimises the risk to the business of a delay in receiving payment.</p>
Liquidity Risk	<p>This is the risk that the Company will be unable to meet its liabilities as they fall due. Tutman manages this risk by maintaining a significant level of liquid financial resources across a number of different accounts including a money market fund, a 95 day notice account and instant access accounts with a range of institutions.</p>
Operational Risk	<p>This is a broad category of risk which recognises that any process can fail or be subject to error and so harm the business either directly, as a financial loss, or indirectly by damaging its reputation or by causing harm to its clients who then withdraw their business. The principal risk areas recognised are described below.</p> <p><u>Oversight</u></p> <p>The business proposition of the Company is based on the concept of open architecture. It does not perform fund administration or investment management internally but instead outsources those functions to professional investment managers and fund administration businesses.</p>
Operational Risk (continued)	<p>Outsourcing these functions allows the business to benefit from the financial resources, technology and efficiencies of scale of the third parties and also allows it to appoint for each fund the counterparties whose strengths are most suited to the proposed investment strategy or fund structure.</p> <p>In order to monitor the performance of those businesses the Company has developed a robust oversight program operated by qualified teams with expertise across all disciplines, including risk management, fund management, compliance, accountancy, fund administration and project management.</p> <p><u>Technology</u></p> <p>The financial services sector is increasingly reliant on technology, both to maintain its records and to communicate with investors. Tutman takes a conservative approach to IT risks and maintains a comprehensive set of policies and procedures. These are designed first to prevent unwanted intrusion to its systems and second to detect it promptly should it occur. Staff receive regular awareness training from the IT team and communication about emerging threats.</p> <p><u>Conduct</u></p> <p>This recognises that the business of the Company is conducted by individuals and that their behaviours, attitudes and motivation are fundamental to the delivery of good outcomes for investors and, by extension, the Company.</p>

## Notes to the Accounts (continued)

### 15. Risk Management Disclosures (continued)

The business has a clearly articulated Purpose and a set of Values, both of which place the interests of investors in its funds at the heart of the business. These statements are integrated into many of the employment processes in the business, from recruitment to appraisals and team meetings. Annual training is also provided to all staff on conduct issues.

#### Business Risk

This is the risk that the business fails to deliver its long term strategy as a result of poor internal decision making or a weak understanding of changes in its business sector.

Tutman tracks its financial performance internally with the production of budgets, monthly financial reports which incorporate forward looking projections and the use of key performance indicators. It monitors a range of external indicators and other information, such as publications from its regulator, to identify and significant changes for which it must plan.

#### Group Risk

This is the risk that events occurring elsewhere in the group could materially alter the financial position of the Company. The Company trades with other members of the group and has amounts owed to it by other entities, as disclosed in note 9. Any inability on behalf of another group entity to settle these balances when due could damage the liquidity of the business.

### 16. Share Capital

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
5,673,167 allotted, called up and fully paid ordinary shares of £1 each	5,673	5,673

### 17. Commitments under Operating Leases

At 30 April 2024 the Company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and Buildings</b>	<b>Land and Buildings</b>
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating leases which expire:</b>		
Less than one year	-	-
Between one and five years	98	-
Over five years	-	95
	<u>98</u>	<u>95</u>

### 18. Employee Benefits

#### *Pension Arrangements*

The Company operates a defined contribution scheme for which the pension cost charge for the year was £86,000 (2023: £66,000). At the year end unpaid pension contributions on the balance sheet amounted to £14,000 (2023: £11,000).

## **Notes to the Accounts (continued)**

### **19. Parent Company**

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

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

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

### **20. Controlling Party**

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

### **21. Related Party Transactions**

All directors, including non-executive directors and those individuals who serve only on the boards of parent or subsidiary companies, are considered to be related parties. In addition, Vincent Smith is a director of J Leon & Company Limited. That business has trading relationships with the Company and through its subsidiary, JLC Tigerco Limited, is an investor in Regit Topco Limited, the Company's ultimate parent. The Company considers J Leon and its directors also to be related parties. The Company earned fees of £196,000 (2023: £208,000) from this relationship, of which £17,000 (2023: £16,000) was outstanding at the year end. A family member of an ex director is an investor in a fund that the Company is the ACD. The Company earned fees of approximately £Nil (2023: £167) from this relationship, of which approximately £Nil (2023: £14) was outstanding at the year end.

On 4 October 2019, the Company entered into a non-interest bearing loan agreement, as Lender with Thesis Holdings Limited as Borrower. The loan was for a maximum amount of £12,500,000 and as at 30 April 2024 an amount of £9,250,000 (2023: £9,250,000) had been drawn down.

As at 30 April 2024 the Company had an interest of 99% in Tutman LLP. The remaining 1% was held by Thesis Holdings Limited. As the LLP is not a wholly owned subsidiary, disclosure of transactions with the Company is required by paragraph 33.1A of FRS102 even though all amounts are eliminated on consolidation within the group accounts of Regit Topco Limited. The Company made management charges to Tutman LLP of £155,000 (2023: £126,000) for the year. The amount owed by Tutman LLP to the Company at 30 April 2024 was £13,000 (2023: £5,000).

### **22. Restatements**

The recent increases in interest rate together with the high levels of cash that the business holds has meant that interest income has increased to a level that merits separate disclosure (see note 2). The Company has reviewed the process for identifying the amount of interest earned from the contracts with its customers. The revised process has been applied throughout the year and has resulted in a reclassification of £205k from interest to turnover in the prior year.

**Notes to the Accounts (continued)**

**22. Restatements (continued)**

**Note 2: Turnover**

	<b>2023 as originally reported £'000</b>	<b>Restatement £'000</b>	<b>2023 restated £'000</b>
Fund management charges	137,007	-	137,007
Interest receivable	-	205	205
Income / (expense) derived from unit dealing	5	-	5
Charge for services provide to subsidiary undertaking	126	-	126
<b>Turnover</b>	<u>137,138</u>	<u>205</u>	<u>137,343</u>
Fund administration and investment charges	<u>(127,140)</u>	<u>-</u>	<u>127,140</u>
<b>Gross profit</b>	<u>9,998</u>	<u>205</u>	<u>10,203</u>

**Note 6: Interest**

	<b>2023 as originally reported £'000</b>	<b>Restatement £'000</b>	<b>2023 restated £'000</b>
Bank interest receivable	375	(205)	170

**23. Post balance sheet events**

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