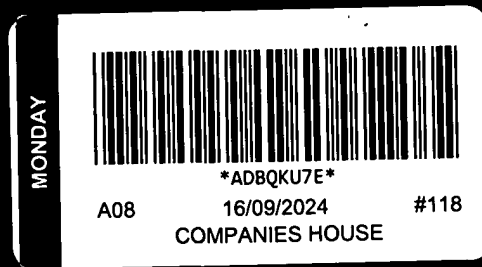


Hedosophia Services Limited

Annual report and audited consolidated financial statements

For the year ended 31 December 2023



HEDOSOPHIA

Management and Administration

Directors	Caspar Wahler Simon Williams
Secretary	AS Corporate Secretarial Limited (Appointed 1 July 2023) Fairbairn House, Rohais, St Peter Port, GY1 1FE TCCI Secretaries Limited (Resigned 30 June 2023)
Administrators	Hedosophia Services (Guernsey) Limited (Appointed 1 July 2023) Suite 4, Weighbridge House, Lower Pollet, St Peter Port, Guernsey, GY1 1WL Trust Corporation of the Channel Islands Limited (part of the Ocorian group) (Resigned 30 June 2023) Roseneath, The Grange, St Peter Port, Guernsey, GY1 4BQ
Bankers	Royal Bank of Scotland International Limited PO Box 62, Royal Bank Place, 1 Gategny Esplanade, St. Peter Port, Guernsey, GY1 4BQ Silicon Valley Bank 3003 Tasman Drive, Santa Clara, California 95054, United States of America HSBC Innovation Bank Alphabeta, 14-18 Finsbury Square, London, EC2A 1BR HSBC Bank PLC 22-25 High Street, St Peter Port, Guernsey, GY1 2LB
Legal Advisors	Simpson Thacher & Bartlett LLP City Point, One Ropemaker Street, London, EC2Y 9HU
Independent auditor	PricewaterhouseCoopers CI LLP Royal Bank Place, 1 Gategny Esplanade, St Peter Port, Guernsey, GY1 4ND
UK Registered number	08975224
Registered office	2 Soho Place, London, W1D 3BG

Contents

Strategic report	1
Report of the directors	2-3
Independent auditor's report to the members of Hedosophia Services Limited	4-6
Consolidated statement of comprehensive income	7
Consolidated and company balance sheets	8
Consolidated statement of changes in equity	9
Company statement of changes in equity	10
Consolidated statement of cash flows	11
Company statement of cash flows	12
Notes to the consolidated financial statements	13-22

Strategic report

For the year ended 31 December 2023

The directors present their strategic report of Hedosophia Services Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2023.

Principal activity

The Company was incorporated on 3 April 2014 in England and Wales as a limited liability Company under the Companies Act 2006. The Company's registered office is at 2 Soho Place, London, W1D 3BG.

The Company is authorised and regulated by the UK Financial Conduct Authority, amongst other things, to provide investment advisory services. The Company is also the holding company for various sub-advisor companies within the Group. Together with the Company, such sub-advisor companies comprise the international network of Hedosophia offices that provides sub-advisory services to Hedosophia Advisor Limited, which acts as Principal Advisor to the Hedosophia Funds, the General Partners of the Hedosophia Funds and other investment holding companies within the Hedosophia group.

Principal risks and uncertainties

The directors are responsible for evaluating and managing the Group's risks and uncertainties. The specific risks and uncertainties affecting the business relate to its sub-advisory contract with Hedosophia Advisor Limited and appropriate policies and procedures have been put in place to ensure that such risks are managed accordingly.

The directors have also considered the Group's exposure to price, credit, liquidity and cash flow risk and believe that the Group does not have any material exposure to these risks and that there are appropriate policies and procedures in place to monitor these and other risks.

Business review

The directors do not envisage any change in activities and believe the results for the year to be satisfactory.

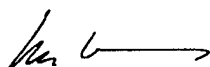
During the year ended 31 December 2023, the Company incorporated new Hong Kong and Australian subsidiaries.

During the year ending 31 December 2024, the Company intends to wind up its Mexican and Hong Kong subsidiaries.

Key performance indicators

Given the nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

By order of the directors



Simon Williams, Director

Date: 24 April 2024

Report of the directors

For the year ended 31 December 2023

The directors present their annual report and the audited financial statements of the Company and the Group for the year ended 31 December 2023.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements (the "financial statements") in accordance with applicable law and regulations. The directors are responsible for evaluating and managing the Company's and Group's risks and uncertainties and their assessments are disclosed in the Strategic Report.

Under the Companies Act 2006 ("company law") the directors are required to prepare financial statements for each financial year. Under company law the directors have prepared the Group and Company financial statements in accordance with 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, 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 Group and Company and of the profit or loss of the Group and Company 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 confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records that 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. 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.

Directors' confirmations

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's and Company's auditor is unaware; and
- 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's and Company's auditor is aware of that information.

Going concern

The Group engages in cross-border transactions with its related parties and has determined arm's length prices for these transactions with a fee floor. As the methodology incorporates a fee floor at entity level, the directors are satisfied that the Group and the Company is able to meet their liabilities as they fall due as its sub-advisory fee income will always be at least equal to expenses incurred.

The Group meets its day-to-day working capital requirements by its ability to draw down cash in settlement of service fees from affiliated entities as and when required in order to meet its liabilities as they fall due. After making enquiries, the directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future, being no less than 12 months from date of approval of these financial statements. The Group and Company therefore continues to adopt the going concern basis in preparing its financial statements.

Results

The results for the year are set out in the consolidated statement of comprehensive income account on page 7.

Dividends

The directors did not declare a dividend during the year (2022: GBPh1).

Report of the directors *Continued*

Employees

The aggregate number of persons (including executive directors) employed by the Group as at 31 December 2023 was 53 (2022: 42).

Directors

The directors who served during the year and to the date of signing were:

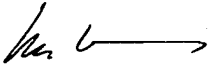
Simon Williams

Caspar Wahler

Independent auditors

The independent auditor, PricewaterhouseCoopers CI LLP, has indicated their willingness to continue in office and their reappointment will be considered by the directors.

By order of the directors



Simon Williams, Director

Date: 24 April 2024

Independent auditor's report to the members of Hedosophia Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hedosophia Services 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 31 December 2023 and of the group's profit and the group's and company'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, including 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 Audited Consolidated Financial Statements (the "Annual Report"), which comprise: consolidated and company balance sheets as at 31 December 2023; the consolidated statement of comprehensive income, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and company statement of cash flows 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 Auditor's 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.

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 auditor's 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.

Independent auditor's report to the members of Hedosophia Services Limited *Continued*

With respect to the Strategic report and the 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 the 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 the Report of the directors for the year ended 31 December 2023 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 the 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 within the Report of the directors, 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. 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.

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. 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 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 posting of inappropriate journal entries to manipulate the performance of the group. Audit procedures performed by the engagement team included:

- Discussions with the directors, management and compliance functions, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing correspondence with the FCA in relation to compliance with laws and regulations;
- Risk based journal testing with a focus on unusual account combinations, unexpected users and key words;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Inspecting legal fee expenditure for any indication of undisclosed litigation or non-compliance with laws and regulations.

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 auditor's report.

Independent auditor's report to the members of Hedosophia Services Limited *Continued*

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.

Elisha Backhouse

Elisha Backhouse (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditor
Guernsey

24 April 2024

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 GBP	As restated Year ended 31 December 2022 GBP
Income			
Sub-advisory fees	3	37,472,804	31,385,166
Interest income		20,374	2,591
Other income		–	4,285,397
		37,493,178	35,673,154
Expenses			
Staff costs		22,901,830	22,559,061
Office expenses		5,070,029	3,662,255
Legal and professional fees		2,386,913	2,648,818
Travel and accommodation		1,515,377	2,171,042
Depreciation	6	1,498,220	842,055
Events and entertainment		1,294,035	–
Consultancy fees		458,336	1,551,914
Loss on foreign currency conversion		325,665	172,627
Administration fees		205,225	255,046
Information technology		182,007	466,183
Lease interest	3	73,724	13,799
Insurance		23,838	8,282
Sundry expenses and bank charges		(23,712)	98,134
		35,911,487	34,449,216
Net profit for the period before taxation		1,581,691	1,223,938
Taxation		(257,231)	(624,472)
Net profit for the year after taxation		1,324,460	599,466
Other comprehensive income			
Currency translation differences		95,552	214,302
Total comprehensive income for the year		1,420,012	813,768

The notes on pages 13 to 22 are integral to these financial statements.

Consolidated and company balance sheets

As at 31 December 2023

	Note	Group		Company	
		31 December 2023	As restated 31 December 2022	31 December 2023	As restated 31 December 2022
		GBP	GBP	GBP	GBP
Non-current assets					
Tangible assets	6	4,693,775	5,307,834	4,218,898	4,570,840
Investment in subsidiaries	7	–	–	174,713	172,588
Rental deposits		362,995	236,126	–	–
		5,056,770	5,543,960	4,393,611	4,743,428
Current assets					
Loans receivable	8	–	87,958	–	87,958
Trade receivables and prepayments	9	13,142,572	12,389,432	7,121,589	6,127,825
Cash and cash equivalents		1,566,736	506,228	1,375,245	293,464
		14,709,308	12,983,618	8,496,834	6,509,247
Current liabilities					
Trade payables and accruals	10	14,517,672	14,699,184	9,790,947	8,828,276
		14,517,672	14,699,184	9,790,947	8,828,276
Net current assets / (liabilities)		191,636	(1,715,566)	(1,294,113)	(2,319,029)
Total net assets		5,248,406	3,828,394	3,099,498	2,424,399
Capital and reserves					
Share capital	11	55,100	55,100	55,100	55,100
Revenue reserves		5,193,306	3,773,294	3,044,398	2,369,299
Total equity		5,248,406	3,828,394	3,099,498	2,424,399

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The profit for the Company for the year was GBP675,099 (2022 restated: GBP381,337).

The accounts were approved by the director and are signed by:



Simon Williams, Director

Date: 24 April 2024

The notes on pages 13 to 22 are integral to these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Share capital	Revenue reserves	Total
	GBP	GBP	GBP
Balance at 1 January 2022 (as restated)	55,100	2,959,526	3,014,626
Restated profit for the year after taxation	–	599,466	599,466
Other comprehensive income for the year	–	214,302	214,302
Balance as at 31 December 2022 (as restated)	55,100	3,773,294	3,828,394
Balance at 1 January 2023	55,100	3,773,294	3,828,394
Profit for the year after taxation	–	1,324,460	1,324,460
Other comprehensive income for the year	–	95,552	95,552
Balance as at 31 December 2023	55,100	5,193,306	5,248,406

The notes on pages 13 to 22 are integral to these financial statements.



Company statement of changes in equity

For the year ended 31 December 2023

	Share capital	Revenue reserves	Total
	GBP	GBP	GBP
Balance at 1 January 2022 (as restated)	55,100	1,987,962	2,043,062
Restated profit for the year after taxation	–	381,337	381,337
Balance as at 31 December 2022 (as restated)	55,100	2,369,299	2,424,399
Balance at 1 January 2023	55,100	2,369,299	2,424,399
Profit for the year after taxation	–	675,099	675,099
Balance as at 31 December 2023	55,100	3,044,398	3,099,498

The notes on pages 13 to 22 are integral to these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2023

	Year ended 31 December 2023	As restated Year ended 31 December 2022
	GBP	GBP
Cash flow from operating activities		
Profit for the year before taxation	1,581,691	1,223,938
Taxation	(264,089)	(262,771)
Depreciation	1,498,220	842,055
(Decrease) / increase in trade payables and accruals	(174,655)	8,628,958
Increase in trade receivables and prepayments	(880,008)	(4,674,138)
Net cash generated from operating activities	1,761,159	5,758,042
Cash flow from investing activities		
Purchase of tangible assets	(884,161)	(5,548,229)
Net cash used in investing activities	(884,161)	(5,548,229)
Cash flow from financing activities		
Decrease / (increase) in loans receivable	87,958	(9,267)
Net cash received from / (used in) financing activities	87,958	(9,267)
Net increase in cash and cash equivalents	964,956	200,546
Cash and cash equivalents at the beginning of the year	506,228	91,380
Exchange gains on cash and cash equivalents	95,552	214,302
Cash and cash equivalents at the end of the year	1,566,736	506,228

The notes on pages 13 to 22 are integral to these financial statements.

Company statement of cash flows

For the year ended 31 December 2023

	Year ended 31 December 2023	As restated Year ended 31 December 2022
	GBP	GBP
Cash flow from operating activities		
Profit for the year before taxation	912,240	604,273
Taxation	(244,000)	(140,269)
Depreciation	1,261,071	662,629
Increase in trade payables and accruals	696,529	2,090,234
(Increase) / decrease in trade receivables and prepayments	(993,764)	1,675,559
Net cash generated from operating activities	1,905,076	4,892,426
Cash flow from investing activities		
Purchase of subsidiaries	(2,124)	(12,822)
Purchase of tangible assets	(909,129)	(4,650,819)
Net cash used in investing activities	(911,253)	(4,663,641)
Cash flow from financing activities		
Decrease / (increase) in loans receivable	87,958	(9,267)
Net cash received from / (used in) financing activities	87,958	(9,267)
Net increase in cash and cash equivalents	1,081,781	219,518
Cash and cash equivalents at the beginning of the year	293,464	73,946
Cash and cash equivalents at the end of the year	1,375,245	293,464

The notes on pages 13 to 22 are integral to these financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2023

1. Company information

Hedosophia Services Limited ("the Company") and its subsidiaries (together "the Group") provide advisory services to affiliated entities. The Company was incorporated on 3 April 2014 in England and Wales as a limited liability Company under the Companies Act 2006. The Company's registered office is at 2 Soho Place, London, W1D 3BG.

2. Statement of compliance

The Group and Company financial statements 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. These financial statements have been prepared on a consolidated basis, as set out below in note 3 under "Basis of consolidation".

3. Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

Going concern

The Group engages in cross-border transactions with its related parties and has determined arm's length prices for these transactions with a fee floor. As the methodology incorporates a fee floor at entity level, the directors are satisfied that the Group and the Company is able to meet their liabilities as they fall due as its service fee income will always be at least equal to expenses incurred.

The Group meets its day-to-day working capital requirements by its ability to draw down cash in settlement of service fees from affiliated entities as and when required in order to meet its liabilities as they fall due. After making enquiries, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, being no less than 12 months from date of approval of these financial statements. The Group and Company therefore continue to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Notes to the consolidated financial statements *Continued*

3. Accounting policies *Continued*

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated statement of comprehensive income. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Income

Income is recognised on an accruals basis and mainly consists of sub-advisory fee income for provision of its services to affiliated entities calculated following the agreed Transfer Pricing methodology.

In accordance with the agreements in place, other income is recognised on an accruals basis from Hedosophia Group Limited. Other income allows the Group to discharge its obligations under certain High-Watermark and Shadow carry bonus letters, whereby employees of the Group are entitled to receive amounts relating to carried interest.

Expenses

Expenditure is included in the financial statements on an accruals basis.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Foreign currency

(i) Functional and presentation currency

The Group financial statements are presented in pound sterling ("GBP").

The Company's functional and presentation currency is GBP.

(ii) 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 period end foreign currency monetary items are translated using the closing rate. 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 fair value was determined.

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 consolidated statement of comprehensive income.

(iii) Translation

The trading results of Group undertakings are translated into GBP using the average exchange rate for the year. The assets and liabilities of Group undertakings are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the translation of the profits or losses at the spot average exchange rates at the year end are recognised in other comprehensive income.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

(ii) Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the consolidated statement of comprehensive income when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Notes to the consolidated financial statements *Continued*

3. Accounting policies *Continued*

(iii) Defined contribution pension plans

The Group operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. The assets of the plan are held separately from the Group in independently administered funds.

Taxation

Taxation expense for the year comprises current tax recognised in the reporting period. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

(i) Current tax

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company is a UK resident Company for tax purposes and is liable to corporation tax at a rate for the year of 25% (2022: 19%).

The Group is subject to income taxes in numerous jurisdictions. The tax rates applicable to the parent and subsidiaries vary from 16.5% to 34% in accordance with the income tax laws of the countries where the Group operates. For the purpose of determining the taxable results of the subsidiaries for the year, the accounting results have been adjusted for tax purposes. Such adjustments include items relating to both income and expenses and are based on the current understanding of the existing tax laws and regulations and tax practices.

The estimate applicable tax rates for the subsidiaries are;

Hedosophia Services SAS - 25%
Hedosophia Services LLC - 26%
Hedosophia Services (Singapore) Pte Ltd - 17%
Hedosophia Services (Latam) Ltda - 34%
Hedosophia Services (Mexico) S.A. de C.V. - 30%
Hedosophia Services (Australia) Pty Ltd - 30%
HS Services (HK) Limited - 16.5%

Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

(i) Depreciation and residual values

Depreciation is calculated using the straight line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

- Computer hardware - 3 years
- Furniture, fixtures and fittings - 5 years
- Leasehold improvements - Over the life of the lease

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(ii) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the consolidated statement of comprehensive income and included in 'other operating losses / gains'.

(iii) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Notes to the consolidated financial statements *Continued*

3. Accounting policies *Continued*

Investments - Company

Investments comprise investments in subsidiary companies which are held at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank with original maturities of 90 days or less.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets including trade and other receivables, loans receivable from related parties and cash and cash equivalents are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. 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 the consolidated statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the consolidated statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables and loans from related parties are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(ii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the consolidated financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4. Judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the property plant and equipment.

Notes to the consolidated financial statements *Continued*

5. Employees and directors

Employees

The aggregate number of persons (including executive directors) employed by the Group and Company are as follows:

	Group 2023	Group 2022	Company 2023	Company 2022
Investment team	32	32	14	15
Support team	14	7	10	3
Operations team	7	8	7	7
Total	53	47	31	25

Directors

One of the directors is an employee of the Group, with the other ceasing to be an employee of the Group from 1 April 2022. Post-employment benefits are being contributed by the Group on behalf of the director under a defined benefit contribution scheme. The total amount of emoluments for the year are as follows:

	Group 2023 GBP	Group 2022 GBP	Company 2023 GBP	Company 2022 GBP
Aggregate remuneration	461,491	474,158	461,491	474,158
Employer contributions to defined contribution pension scheme	39,000	40,300	39,000	40,300
Bonus	2,939,558	4,015,212	2,939,558	4,015,212

The Company and Group had no post-employment benefits at 31 December 2023 (2022: Enil). One director (2022: two directors) were members of defined contribution schemes.

Highest paid director

The highest paid director's emoluments were as follows:

	Group 2023 GBP	Group 2022 GBP	Company 2023 GBP	Company 2022 GBP
Total amount of emoluments	3,440,049	4,403,984	3,440,049	4,403,984

Defined benefit pension scheme:

Accrued pension at the end of the year	-	-	-	-
Accrued lump sum at the end of the year	39,000	34,300	39,000	34,300

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	Group 2023 GBP	Group 2022 GBP	Company 2023 GBP	Company 2022 GBP
Salaries and other short-term benefits	3,327,414	2,721,696	2,392,795	1,206,279

Notes to the consolidated financial statements *Continued*

6. Tangible assets

	Computer hardware	Fixtures and fittings	Leasehold improvements	Total 31-Dec
	2023	2023	2023	2023
Tangible assets - Group	GBP	GBP	GBP	GBP
At cost:				
At 1 January 2022 (as restated)	309,630	–	452,099	761,729
Additions	122,334	834,749	3,625,453	4,582,536
Prior year restatement	–	–	965,693	965,693
At 31 December 2022 (as restated)	431,964	834,749	5,043,245	6,309,958
Additions	48,219	53,502	860,063	961,784
Disposals	(919)	(76,704)	–	(77,623)
Carried forward	479,264	811,547	5,903,308	7,194,119
Accumulated depreciation:				
At 1 January 2022	160,069	–	–	160,069
Charge for the year	124,845	149,282	325,794	599,921
Prior year restatement	–	–	242,134	242,134
At 31 December 2022 (as restated)	284,914	149,282	567,928	1,002,124
Charge for the year	112,883	207,245	1,178,092	1,498,220
Carried forward	397,797	356,527	1,746,020	2,500,344
Net book value as at 31 December 2022 (as restated)	147,050	685,467	4,475,317	5,307,834
Net book value as at 31 December 2023	81,467	455,020	4,157,288	4,693,775
	Computer hardware	Fixtures and fittings	Leasehold improvements	Total 31-Dec
	2023	2023	2023	2023
Tangible assets - Company	GBP	GBP	GBP	GBP
At cost:				
At 1 January 2022 (as restated)	282,488	–	452,099	734,587
Additions	59,673	–	3,625,453	3,685,126
Prior year restatement	–	–	965,693	965,693
At 31 December 2022 (as restated)	342,161	–	5,043,245	5,385,406
Additions	38,841	10,703	860,062	909,606
Disposals	(477)	–	–	(477)
Carried forward	380,525	10,703	5,903,307	6,294,535
Accumulated depreciation:				
At 1 January 2022	151,937	–	–	151,937
Charge for the year	94,701	–	325,794	420,495
Prior year restatement	–	–	242,134	242,134
At 31 December 2022 (as restated)	246,638	–	567,928	814,566
Charge for the year	82,131	848	1,178,092	1,261,071
Carried forward	328,769	848	1,746,020	2,075,637
Net book value as at 31 December 2022 (as restated)	95,523	–	4,475,317	4,570,840
Net book value as at 31 December 2023	51,757	9,855	4,157,286	4,218,898

Notes to the consolidated financial statements *Continued*

7. Investment in subsidiaries

	Group	Group	Company	Company
	2023	2022	2023	2022
	GBP	GBP	GBP	GBP
Hedosophia Services (Singapore) Pte Ltd	-	-	158,873	158,873
Hedosophia Services (Latam) Ltda	-	-	12,822	12,822
Hedosophia Services SAS	-	-	893	893
Hedosophia Services (Mexico) S.A. de C.V.	-	-	2,071	-
Hedosophia Services (Australia) Pty Ltd	-	-	54	-
Hedosophia Services LLC	-	-	-	-
HS Services (HK) Limited	-	-	-	-
Total	-	-	174,713	172,588

The Company owns 100% (2022: 100%) of the issued share capital of Hedosophia Services (Singapore) Pte Ltd, a company incorporated in Singapore.

The Company owns 100% (2022: 100%) of the issued share capital of Hedosophia Services (Latam) Pte Ltda, a company incorporated in Brazil.

The Company owns 100% (2022: 100%) of the issued share capital of Hedosophia Services SAS, a French company limited by shares.

The Company owns 100% (2022: 100%) of the membership interests of Hedosophia Services LLC, a U.S. corporate structure incorporated in Delaware, USA.

The Company owns 99.99% (2022: 99.99%) of the issued share capital of Hedosophia Services (Mexico) S.A. de C.V, a company incorporated in Mexico.

The Company owns 100% of the issued share capital of Hedosophia Services (Australia) Pty Ltd, a company incorporated in Australia.

The Company owns 100% of the issued share capital of HS Services (HK) Limited, a company incorporated in Hong Kong.

All subsidiaries provide advisory services to affiliated entities and are included in the consolidation.

8. Loans receivable

	Group	Group	Company	Company
	2023	2022	2023	2022
	GBP	GBP	GBP	GBP
Employees	-	77,610	-	77,610
Directors	-	10,348	-	10,348
	-	87,958	-	87,958

These loans were unsecured and interest bearing at HM Revenue & Customs' average official rate of interest. The loans were repaid in full during the year.

9. Trade receivables and prepayments

	Group	As restated Group	Company	As restated Company
	2023	2022	2023	2022
	GBP	GBP	GBP	GBP
Sub-advisory fees receivable	10,822,134	7,678,791	5,642,502	2,340,842
Inter-company receivables	1,151,594	-	548,203	-
Prepayments	974,865	422,434	930,736	349,290
Other debtors	193,529	3,525,001	(302)	2,654,831
Rent deposit receivable	-	-	-	19,656
VAT receivable	450	761,244	450	761,244
Loan interest	-	1,962	-	1,962
	13,142,572	12,389,432	7,121,589	6,127,825

Notes to the consolidated financial statements *Continued*

10. Trade payables and accruals

	Note	As restated		As restated	
		Group	Group	Company	Company
		2023	2022	2023	2022
		GBP	GBP	GBP	GBP
Bonuses payable		8,677,664	7,511,632	6,079,887	5,027,169
Trade creditors and accruals		1,980,977	–	695,252	825,824
Lease incentives	16	1,709,076	1,046,580	1,709,076	1,046,580
Inter-company payables		1,394,687	–	511,118	–
Landlord contribution payable		691,608	563,353	691,609	563,353
Sundry creditors		28,195	3,699,678	28,196	–
Service fees payable		–	–	–	453,642
Amounts due to HMRC in respect of staff costs		–	1,493,996	–	765,616
Employee expense reimbursement payable		–	50,858	–	28,360
Administration fees		–	50,645	–	35,065
Taxation payable		35,465	282,442	75,809	82,667
		14,517,672	14,699,184	9,790,947	8,828,276

The landlord contribution payable was advanced by way of an interest-free loan and is repaid as part of the all inclusive rates.

11. Share capital

	Group	Group	Company	Company
	2023	2022	2023	2022
	GBP	GBP	GBP	GBP
Authorised				
55,100 ordinary share of GBP1 each	55,100	55,100	55,100	55,100
Allotted, called up and fully paid				
55,100 ordinary share of GBP1 each	55,100	55,100	55,100	55,100

All shares issued are non-redeemable and rank equally in terms of (a) voting rights - one vote for each share; (b) rights to participate in all approved dividend distributions for that class of share; and (c) rights to participate in any capital distribution on winding up.

No dividends were declared or paid during the year ended 31 December 2023 (2022: GBPnil).

Notes to the consolidated financial statements *Continued*

12. Reconciliation of tax charge

Tax assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2023 of 25% (2022: 19%). The differences are explained below.

	Group 2023 GBP	Group 2022 GBP	Company 2023 GBP	Company 2022 GBP
Profit before tax	1,581,691	1,179,619	912,240	559,954
UK standard rate of tax	25%	19%	25%	19%
Tax on profits at the UK standard rate of tax	395,423	224,128	228,060	106,391
Effect of higher and lower tax rates applied to profits of Hedosophia Services SAS, Hedosophia Services LLC, Hedosophia Services (Singapore) Pte Ltd, Hedosophia Services (Mexico) S.A. de C.V., Hedosophia Services (Australia) Pty Ltd, HS Services (HK) Limited and Hedosophia Services (Latam) Ltda	1,161	283,799	-	-
Profit taxable at 0% on subsidiaries	-	-	-	-
Depreciation and capital allowances	128,893	69,111	69,606	69,111
Expenses not deductible for tax purposes	231,845	29,165	205,142	29,165
Adjustments to tax charge in respect of prior years	(500,091)	18,269	(265,666)	18,269
Total tax charge for the year	257,231	624,472	237,142	222,936

13. Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the consolidated statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Company rents office space for £2,194,800 per annum in accordance with the lease agreements dated 21 July 2022 (the "agreement"), of which the amount relating to retained services will be reviewed quarterly and may be adjusted in accordance with the Company's requirements.

Payments are made monthly in advance and the office space was leased with effect from 21 July 2022.

The services supplied under the agreement shall continue to be supplied until termination. Termination is by one of the parties giving to the other not less than 6 months' notice which equates to minimum lease payments of £1,097,400, unless the agreement is otherwise terminated in accordance with clause 4 of the agreements.

The Company and Group had the following future minimum lease payments under non-cancellable operating leases:

Payments due	Group 2023 GBP	Group 2022 GBP	Company 2023 GBP	Company 2022 GBP
Not later than one year	1,097,400	1,097,400	1,097,400	1,097,400
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-

Notes to the consolidated financial statements *Continued*

14. Related party transactions

Service charges were due to the Company from Hedosophia Advisor Limited during the year totalling GBP26,678,033 (2022: GBP15,651,098) of which GBP5,642,502 (2022: GBP2,340,842) remains receivable at the balance sheet date.

Other income was received from Hedosophia Group Limited during the year totalling GBPnil (2022: GBP4,285,397) of which GBPnil (2022: GBPnil) remains receivable at the balance sheet date.

The directors received a total aggregate remuneration of GBP461,491 (2022: GBP474,158) and GBP39,000 (2022: GBP40,300) to an employers defined contribution pension scheme. As at 31 December 2023 there were bonuses payable of GBP1,398,391 (2022: GBP2,844,895).

There are no loans due by the directors to the Company (2022: GBP49,153) at the balance sheet date. The loans were unsecured, interest bearing at HM Revenue & Customs' average official rate of interest and were repaid in the year.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

15. Ultimate controlling party

The Company considers Ian Osborne to be its ultimate controlling party.

16. Restatement

Various leasehold improvements were made during the years ended 31 December 2021 and 2022 which were expensed at the time. It has since been identified that a pre-agreement to the lease was in place at this time and these items met the criteria of being capitalised. The financial statements for the year ended 31 December 2022 have been restated to correct this error. The financial statements for the year ended 31 December 2021 have not been restated as the impact was determined not to be material to the users of the financial statements.

The lease agreement also included lease incentives in the form of a rent free period and an interest free loan, which have been corrected in these financial statements for the year ended 31 December 2022.

The effect of the restatements on those financial statements is summarised below.

Effect on 31 December 2022

	31 December 2022
Profit for the before taxation (as per signed prior year financial statements)	1,179,620
Restatements	
Sub-advisory fees	930,692
Legal and professional fees	66,479
Depreciation	(242,134)
Office expenses	(710,719)
Lease expense	13,799
Interest expense	(13,799)
Profit for the before taxation (as restated)	1,223,938

	Group 31 December 2022	Company 31 December 2022
Statement of financial position		
Adjustment to opening revenue reserve	45,209	45,209
Total net assets (as restated)	3,829,285	2,425,290
Restatements		
Tangible assets	(723,560)	(723,560)
Trade receivables and prepayments	(930,692)	(930,692)
Trade payables and accruals	1,609,933	1,609,933
Total net assets (as restated)	3,784,966	2,380,971

17. Subsequent events

No subsequent events have been noted.

HEDOSOPHIA