

Sequel Investments Limited

Report and Financial Statements

Year Ended

31 December 2021

Company Number 06751956

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Sequel Investments Limited

Company Information

Directors	R N Brosch P J Davies
Registered number	06751956
Registered office	2nd Floor, 20 St Dunstan's Hill London EC3R 8HL
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank PLC Barclays Business Centre PO Box 100 Leeds LS1 1PA

Sequel Investments Limited

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Sequel Investments Limited

Strategic Report For the Year Ended 31 December 2021

STRATEGIC REPORT

The Directors present the Strategic Report, Directors' Report and the audited financial statements for Sequel Investments Limited (the "Company") for the year ended 31 December 2021.

Overview

The Company is a wholly owned subsidiary of Foster Denovo Group Limited ("the Group") and became an Appointed Representative of Foster Denovo Limited, a group company, under the rules of the Financial Conduct Authority (FCA) on 31 December 2016. The Company provides investment advice to the WS Sequel Investment Funds ICVC II Open Ended Investment Company ("OEIC") of which the Authorised Corporate Director ("ACD") is Waystone Management (UK) Limited ("Waystone"). Waystone is authorised and regulated by the FCA. Host Capital Limited was the previous ACD and was acquired by DMS Investment Management Services (UK) Limited on 7 February 2020 and the name changed to Waystone Management (UK) Limited on 22 March 2021.

The Company also provides investment advice to pension funds.

Results and proposed dividends

The results for the year are set out on page 8. Revenues for the year are £1.8m, an increase of £0.2m on 2020. The profit for the year, before taxation, is £1.1m (2020: £1.4m). During the year a dividend of £2m was paid (2020: NIL). The reduction in profit follows the decision by the Group to charge a share of the Group running costs to the Company in 2021.

Note 2 includes details of key policies used in the preparation of the Company's financial statements.

Trading from the balance sheet date to the date of this report is in line with the Directors' expectations for 2022 and there have been no significant events.

Review of business

The primary measure by which performance is monitored (in addition to profit and loss, cashflow and balance sheet) is through funds under management in the OEIC and the pension funds.

As at 31 December 2021, funds under management in the OEIC, stood at £305m (2020: £294m) and advised upon in the pension funds were £480m (2020: £424m).

New funding received in early 2022 – post balance sheet event

The Group announced in early April 2022 that it had secured up to £100m of funding from Crestline Investors Inc. The investment will fund the Group's acquisition and growth strategy and the transaction was completed in February 2022. The Group has used the initial funding to undertake a series of acquisitions in the form of adviser practice buy-outs covering four of the largest private client and corporate practices operating under the Group. The Group expects to use further drawdowns to fund further acquisitions in line with strategy.

Going concern

As noted in the review of business section above the Company has increased revenues in 2021 compared to 2020 and has a profit for the year before tax of £1.1m and total shareholder funds of £2.4m at the end of 2021. As such, Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. In reaching this conclusion Management considered the results on a number of scenario tests on the Company's and the Group's forward looking results and cash flow projections.

Sequel Investments Limited

Strategic Report For the Year Ended 31 December 2021

Further the Group also had a more profitable year and this enabled the Directors to enter into discussions with potential investors resulting in the completion of a funding transaction in early 2022.

As noted immediately above in the post balance sheet event section, the first drawdown of this additional funding has been immediately put to use by the Group through the initial acquisition of the four largest adviser practice buy-outs. The funding and acquisitions increase both the EBITDA of the Group and the operational cash flow of the Group, putting the Group in a stronger financial position.

Future developments

The Directors are not aware at the date of this report of any likely major changes in the Company's activities in the next year.

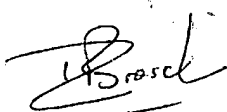
Principal risks, uncertainties and financial instruments

The principal risks and uncertainties of the Company relate to the level of fund inflows generated by financial advisers, their retention thereafter and the performance of the OEIC and the pension funds, to which the first two are inextricably linked. The Company manages this risk by ensuring that the investment proposition continues to meet the needs of customers and by engaging strongly and continuously with financial advisers to that end.

In common with all other businesses, the Company holds or issues financial instruments to finance its operations and is exposed to risks that arise from its use of those financial instruments. Various financial instruments such as trade debtors and trade creditors arise directly from the Company's operations. The Company does not enter into hedging agreements.

The company's business is wholly within Great Britain. Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Directors monitor this risk by reviewing projected cash flow requirements and ensuring that the Company maintains sufficient working capital to ensure that its requirements are met on a day-to-day basis.

This Strategic Report was approved by the Board on 1 December 2022 and signed on its behalf:



R N Brosch
Director

Sequel Investments Limited

Directors' Report For the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The directors who served during the year were:

R N Brosch

P J Davies

Annual General Meeting

In accordance with the provisions of the Companies Act legislation the company has dispensed with the holding of Annual General meetings.

Disclosure of information to auditor

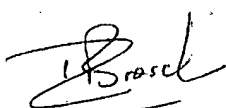
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with the provisions of the Companies Act legislation the company has dispensed with the obligation to appoint auditors annually.

This report was approved by the board on 1 December 2022 and signed on its behalf.



R N Brosch
Director

Sequel Investments Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2021

The directors are responsible for preparing the strategic report, 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sequel Investments Limited

Independent Auditor's report to the members of Sequel Investments Limited For the Year Ended 31 December 2021

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Sequel Investment Limited ("the Company") for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

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

Sequel Investments Limited

Independent Auditor's report to the members of Sequel Investments Limited For the Year Ended 31 December 2021

Other Companies Act 2006 reporting

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.

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.

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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We gained an understanding of the legal and regulatory framework applicable to Company and the industry in which they operate and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice.

Sequel Investments Limited

Independent Auditor's report to the members of Sequel Investments Limited For the Year Ended 31 December 2021

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including but not limited to compliance with Companies Act 2006, relevant accounting standards and UK tax legislation. We assessed the extent of compliance as part of our procedures on the related financial statement areas. We considered compliance through discussions with management and those charged with governance and performed audit procedures on these areas as considered necessary.

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 management bias in accounting estimates. We addressed the risk of management override of internal controls through testing journals and other adjustments, evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We evaluated whether there was evidence of bias by the Directors in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates.

We read minutes of board minutes to identify any non-compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including any specialists, to ensure we remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:

Andrew Barclay

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Andrew Barclay (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

1 December 2022

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

Sequel Investments Limited

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Revenue	4	1,780	1,557
Gross profit		1,780	1,557
Administrative expenses		(650)	(116)
Operating profit	5	1,130	1,441
Profit before tax		1,130	1,441
Tax on profit on ordinary activities	8	(215)	(274)
Total comprehensive income for the year		915	1,167

There was no other comprehensive income for 2021 (2020 £Nil).

All amounts relate to continuing activities.

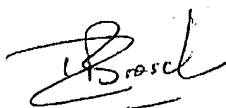
The notes on pages 11 to 18 form part of these financial statements.

Sequel Investments Limited
Registered number: 06751956

Statement of Financial Position
As at 31 December 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Intangible assets	9		13		21
Current assets					
Debtors: amounts falling due within one year	10	2,374		2,860	
Cash at bank and in hand		769		777	
		<u>3,143</u>		<u>3,637</u>	
Current liabilities					
Creditors: amounts falling due within one year	11	(796)		(213)	
Net current assets			<u>2,347</u>		<u>3,424</u>
Net assets			<u><u>2,360</u></u>		<u><u>3,445</u></u>
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account	13		2,360		3,445
Shareholders' funds			<u><u>2,360</u></u>		<u><u>3,445</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2022



R N Brosch
Director

The notes on pages 11 to 18 form part of these financial statements.

Sequel Investments Limited

Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
At 1 January 2021	-	3,445	3,445
Comprehensive income for the year			
Profit for the year	-	915	915
Total comprehensive income for the year	-	915	915
Dividend paid to parent company		(2,000)	(2,000)
	-	(2,000)	(2,000)
At 31 December 2021	<u>-</u>	<u>2,360</u>	<u>2,360</u>

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
At 1 January 2020	-	2,278	2,278
Comprehensive income for the year			
Profit for the year	-	1,167	1,167
Total comprehensive income for the year	-	1,167	1,167
At 31 December 2020	<u>-</u>	<u>3,445</u>	<u>3,445</u>

The notes on pages 11 to 18 form part of these financial statements.

Sequel Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

Sequel Investments Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is provided on the company information page. The nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the directors have considered the following: budgeted and projected results of the business, projected cash flow and the risks that could impact on the company's liquidity and capital over the next twelve months including the impact of the COVID-19 pandemic. To help inform their conclusion the directors assessed the impact of scenarios covering reductions in revenue across different business areas. Accordingly, the Directors have prepared the financial statements on a going concern basis.

The following principal accounting policies have been applied.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Foster Denovo Group Limited as at 31 December 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.4 Revenue

Revenue represents fee income in respect of investment advisory activities and the residual income from the underlying OEIC after all fund management and other charges have been deducted and is calculated on an accruals basis.

Sequel Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years. Other intangible assets are amortised on a straight line basis over a period of 10 years. Amortisation is included within 'administrative expenses' in the statement of comprehensive income.

2.6 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit 'CGU' to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Sequel Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

Short term trade and other payables are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Sequel Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

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

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

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

4. Revenue

Revenue is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2021 £'000	2020 £'000
Amortisation of other intangible assets	8	7
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	10	7
Fees payable to the company's auditor or an associate of the company's auditor for taxation compliance services	<u>4</u>	<u>4</u>

During the year, no director received any emoluments (2020 £Nil).

Sequel Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

6. Employees

The aggregate payroll costs of these persons for the services during the year were as follows:

	2021 £'000	2020 £'000
Wages and salaries	65	64
Social security costs	7	7
Contributions to defined contribution plans	6	5
	<u>78</u>	<u>76</u>

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2021 No.	2020 No.
Sales, marketing and product development	1	1
	<u>1</u>	<u>1</u>

7. Dividends

	2021 £'000	2020 £'000
Ordinary shares of £1 each		
Final dividend paid for the year of £2,000k (2020 NIL)	<u>2,000</u>	<u>-</u>

Sequel Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

8. Taxation

	2021 £'000	2020 £'000
UK Corporation Tax	198	
Group relief payable	17	274
Taxation on profit on ordinary activities	<u>215</u>	<u>274</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 – the same as) the standard rate of corporation tax in the UK of 19% (2020 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	<u>1,130</u>	<u>1,441</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 19%)	215	274
Effects of:		
Expenses not deductible for tax purposes	-	-
Group relief	(17)	(274)
Payment for group relief claimed	17	274
Total tax charge for the year	<u>215</u>	<u>274</u>

Sequel Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

9. Intangible fixed assets

	OEIC sponsorship rights £'000
Cost	
At 1 January 2021	75
At 31 December 2021	<u>75</u>
Amortisation	
At 1 January 2021	54
Charge for the year	8
At 31 December 2021	<u>62</u>
Net book value	
At 31 December 2021	<u><u>13</u></u>
At 31 December 2020	<u><u>21</u></u>

10. Debtors

	2021 £'000	2020 £'000
Trade debtors	80	57
Amounts owed by group undertakings	2,163	2,663
Accrued income	131	140
	<u>2,374</u>	<u>2,860</u>

Sequel Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

11. Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	-	8
Amounts owed to group undertakings	579	185
Corporation Tax	198	-
Accruals and deferred income	19	20
	<u>796</u>	<u>213</u>

During the year the parent Company, Foster Denovo Group Limited, entered into an overdraft arrangement with Barclays Bank, the bankers to the Group, which has a cross guarantee between Foster Denovo Group Limited, Foster Denovo Limited and Sequel Investments Limited. The overdraft facility has not been utilised during the year.

12. Share capital

	2021 £'000	2020 £'000
Allotted, called up and fully paid		
100 - Ordinary shares of £1 each	<u>-</u>	<u>-</u>

13. Capital and reserves

The company's capital and reserves comprise the following:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

14. Ultimate parent company

The company is a subsidiary of Foster Denovo Group Limited which is the ultimate parent company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Foster Denovo Group Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the company.