



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 990 468 877
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: AK JENSEN LIMITED
Forretningsadresse: Bolette brygge 1
0252 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jan Ketil Dale
Dato for fastsettelse av årsregnskapet: 29.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 04.02.2025



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	11 451 307	
Sum inntekter		11 451 307	
Kostnader			
Varekostnad		4 922 811	
Lønnskostnad	12	2 647 939	
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	21 952	
Annen driftskostnad		1 730 134	
Sum kostnader		9 322 836	
Driftsresultat		2 128 471	
Finansinntekter og finanskostnader			
Annen renteinntekt		3 563	
Annen finansinntekt		737 222	
Sum finansinntekter		740 785	
Annen rentekostnad	4	175 242	
Annen finanskostnad		786 948	
Sum finanskostnader		962 190	
Netto finans		-221 405	
Ordinært resultat før skattekostnad		1 907 066	0
Skattekostnad på ordinært resultat	5	1 335 648	
Ordinært resultat etter skattekostnad		571 418	0
Årsresultat		571 418	0



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6	20 060	
Sum varige driftsmidler		20 060	
Sum anleggsmidler		20 060	0
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	8	1 488 210	
Andre fordringer	8	116 488 596	
Konsernfordringer	8	8 659 670	
Sum fordringer		126 636 476	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	2 096 987	
Sum bankinnskudd, kontanter og lignende		2 096 987	
Sum omløpsmidler		128 733 463	0
SUM EIENDELER		128 753 523	0
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10	972	
Annen innskutt egenkapital	10	11 384 762	
Sum innskutt egenkapital		11 385 734	



Balanse

Beløp i: USD	Note	2022	2021
Opptjent egenkapital			
Annen egenkapital		-2 535 660	
Sum opptjent egenkapital		-2 535 660	
Sum egenkapital		8 850 074	0
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	9	95 841 225	
Sum annen langsiktig gjeld		95 841 225	
Sum langsiktig gjeld		95 841 225	0
Kortsiktig gjeld			
Leverandørgjeld	9	4 035 615	
Betalbar skatt	9	1 335 648	
Skyldige offentlige avgifter	9	680 024	
Kortsiktig konserngjeld	9	2 002 441	
Annen kortsiktig gjeld	9	16 008 496	
Sum kortsiktig gjeld		24 062 224	
Sum gjeld		119 903 449	0
SUM EGENKAPITAL OG GJELD		128 753 523	0



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 667680

Enheten

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Brønnøysundregistrene, 10.08.2023



Organisasjonsnr: 990 468 877
AK JENSEN LIMITED

RESULTATREGNSKAP

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	11 451 307	
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Årsresultat		571 418	0



Organisasjonsnr: 990 468 877
AK JENSEN LIMITED

BALANSE

Beløp i: USD Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Varige driftsmidler

Driftsløsøre, inventar,
verktøy, kontormaskiner
og lignende

6 20 060

Sum varige driftsmidler 20 060

Sum anleggsmidler 20 060

0

Omløpsmidler

Varer

Fordringer

Kundefordringer 8 1 488 210

Andre fordringer 8 116 488 596

Konsernfordringer 8 8 659 670

Sum fordringer 126 636 476

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter
og lignende 14 2 096 987

Sum bankinnskudd,
kontanter og lignende 2 096 987

Sum omløpsmidler 128 733 463

0

SUM EIENDELER 128 753 523

0

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital 10 972

Annen innskutt egenkapital 10 11 384 762

Sum innskutt egenkapital 11 385 734

Opptjent egenkapital

Annen egenkapital -2 535 660

Sum opptjent egenkapital -2 535 660

Sum egenkapital 8 850 074

0

Gjeld



Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	9	95 841 225	
Sum annen langsiktig gjeld		95 841 225	
Sum langsiktig gjeld		95 841 225	0
Kortsiktig gjeld			
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Organisasjonsnr: 990 468 877
AK JENSEN LIMITED

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1.2

Regnskapsprinsipper

The financial statements are prepared under the historical cost convention and in accordance with FRS102 ? The Financial Reporting Standard applicable in the UK and Republic of Ireland ? and the Companies Act 2006.

Note
1.3

Note
12

Antall årsverk i regnskapsåret
40.00

Note
12/13

Spesifisering av resultatregnskapet

Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	2647939.00	
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	223989.00	
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	98155.00	
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	2970083.00	

Note



Ekstraordinære inntekter og kostnader

Sum Beløp

Note

6

Varige driftsmidler og immaterielle eiendeler

<u>Anskaffelseskost 01.01.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	220655.00	
<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	23126.00	
<u>Avgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-4705.00	
<u>Anskaffelseskost 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	239076.00	
<u>Samlede av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-219016.00	
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	20060.00	

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - foretak i samme konsern Årets Fjorårets



AK JENSEN LIMITED

COMPANY INFORMATION

Directors Anders Kvamme Jensen
Jan Ketil Dale

Company number 04545354

Registered office London
1 Cornhill
EC3V 3ND

Auditors Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW



AK JENSEN LIMITED

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AK JENSEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Review of business and future developments

Like 2021, 2022 was a positive year for the company, marked by a 20% increase in overall turnover, in a market that has been a tough year for most investors. A strong trading activity in the early part of the year, alongside a significant growth in the overall asset base and in post-trading services to the buy-side clients were the main factors behind the positive result. Profit margins slightly declined year on year but remained at the upper end of the historical range, confirming the continued focus on higher margin business. As a result, the gross profit also moved up by 10%, in line with the increase from last year. The year ended with a profit of over \$1.9m, much higher than in 2021.

Looking ahead to 2023, the focus continues to be client satisfaction, in step with the optimization of service provider relationships, keeping the balance right between diversification and economies of scale. Overall, the increased platform AuM, the high level of client loyalty and a steady broadening of the range of services offered to clients make us cautiously optimistic. However, risks to the business remain, from reliance on top clients and key providers, to the uncertainty surrounding changes in the regulatory landscape. In addition, a post-COVID decrease in market volatility, pipeline limitations caused by Brexit, and the higher interest rate environment all have the potential to divert significant resources from profitable activities.

Director's statement of compliance with duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members and stakeholders as a whole. In doing this, Section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- maintenance of its reputation for high standards of business conduct; and
- need to act fairly as between the different stakeholders of the company.

In discharging its section 172 duties, AK Jensen Limited (the 'Company') has regard to the interests and views of its internal and external stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities, the Company aims to make sure its decisions are consistent and equitable.

As is normal for large companies, AK Jensen Limited delegates authority for day-to-day management to its executives and engages management in setting, approving and overseeing the execution of the business strategy and related policies.

The Company reviews the financial and operational performance of the business on a monthly basis with formal reporting and review at both board and executive level, supplemented by daily, weekly and monthly assessment of key KPIs across all areas of the operations.



AK JENSEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Company also reviews other areas over the course of the financial year including risk and compliance, environmental, social and corporate governance, legal, pensions, and health and safety matters, as well as stakeholder-related matters, diversity and inclusivity, and corporate responsibility matters.

This ensures the Company has an overview of engagement with stakeholders and complies with our Section 172 duty to promote the success of the company.

Key Performance Indicators

The key performance indicators of the Company are set out below:

	2022	2021
	US\$	US\$
Turnover	US\$11.5m	US\$9.5m
Gross profit	US\$6.5m	US\$5.9m
Gross profit percentage	57.00%	62.30%
Employee retention	100%	100%

Results and dividends

The statement of comprehensive income for the year is set out on page 10. No dividends were paid during the year (2021: US\$nil).

Financial risk management

The Company's operations expose it to a variety of financial risks including credit risk, liquidity risk, currency risk and interest rate cash flow risk.

The Company has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

The Company does not use derivative financial instruments to manage interest rate costs, and as such, no hedge accounting is applied.

The Directors have delegated the responsibility of monitoring financial risk management to the Company CFO. The CFO manages interest rate risk with the Managing Director, credit risk, currency and interest rate cash flow risk and circumstances where it would be appropriate to use financial instruments to manage these.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before new accounts are accepted, delegated to the Risk Manager and the CFO. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the Risk Manager and the CFO.



AK JENSEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Liquidity risk

The Company holds sufficient capital to ensure that it has funds available for operations and planned expansions.

Currency risk

The Company is primarily exposed to currency risk in respect of liabilities denominated in currencies other than Sterling. The most significant currency to which the Company is exposed is US Dollar.

The Company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

Interest rate cash flow risk

The Company has interest bearing assets that include cash balances that earn interest at a fixed rate.

The Company has a policy of maintaining debt at a fixed rate to ensure the certainty of future cash flows. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Risks and uncertainties

The Company provides a back-to-back service between its clients and Morgan Stanley & Co International Plc, Maybank Kim Eng Securities Pte Ltd, Barclays Capital Securities Ltd, DNB Bank ASA, ABN Amro Clearing Bank NV, Marex Financial and others. The risk is largely mitigated by the fact that the funds upon which the prime brokerage services are offered sit with large stable counterparties. The Company sets the risk limits for each client based upon their deposit and portfolio/trading strategy/financials. The majority of all prime brokerage clients trading goes through the Company so that it can maintain strong visibility of client risk. For DMA (DVP/RVP) business, end clients settle either directly with our brokers or via a back-to-back settlement structure that the Company has in place with ABN Amro Clearing Bank NV.

The Company only allows trading in securities with significant leverage in situations where portfolios exhibit strong diversification and/or consist of high quality assets. From a counterparty perspective, while we are comfortable with Morgan Stanley & Co International Plc, Maybank Kim Eng Securities Pte Ltd, DNB Markets and Marex Financial as partners, we are exploring additional relationships to spread our counterparty risk.

The Company also provides investment management services to investment funds, professional investment funds - (PIFs) as well as alternative investment funds - (AIFs), aimed at professional/qualified investors. The main risk is that the funds perform poorly causing investors to leave or the PIFs/AIFs to cease operation.

J K Dale
Director

Date: 26 April 2023



AK JENSEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report on the affairs of the financial statements and auditor's report, for the year ended 31 December 2022. Information that is not included in the Directors report is included in the strategic report in accordance with *section 414C(11) of the Companies Act 2006*.

Principal activities

The principal activity of the Company is to provide a trading and regulatory platform to hedge funds and brokerages.

Directors

The following Directors have held office since 1 January 2022:

Anders Kvamme Jensen
Jan Ketil Dale

Directors' interests

There are no Directors' interests requiring disclosure under the Companies Act 2006.

Going concern

Based on their latest assessment of the budgets and forecasts for the Company, and on the undertaking received from the directors of the Company's parent undertaking, AK Jensen Group Limited, that the parent undertaking will, if required, provide the Company with sufficient financial support to enable it to continue to trade as a going concern and to discharge its debts and liabilities as they fall due in the period of at least 12 months from the date of approval of these financial statements, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Auditors

Under section 485 (2) of the Companies Act 2006, Crowe U.K. LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.



AK JENSEN LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Statement of disclosure to auditor

So far as the directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



J.K. Dale
Director

Date: 26 April 2023



AK JENSEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF AK JENSEN LIMITED

Opinion

We have audited the financial statements of AK Jensen Limited (the "Company") for the year ended 31 December 2022 which comprise the Statement of comprehensive Income, the Statements of financial position, the Statements of changes in equity, the Cash flow statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty in relation to recoverability of loan receivables

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 8 a) of the financial statements concerning the recoverability of loan receivables.

As described in note 8 a) to the financial statements, included in loan receivables at 31 December 2022 are amounts of \$29.5 million (2021: \$26.5 million) due from Platinum Partners Value Arbitrage Fund LP, which is in liquidation. At the reporting date the net amount receivable represented approximately 29% (2021: 37%) of AKJ's total claim against the assets of the Platinum Fund.

A material uncertainty exists in relation to the quantum and timing of distributions from Platinum Partners Value Arbitrage Fund. The financial statements do not include the adjustments that would result if the Company was unable to collect the net loan receivables due to it from Platinum Partners Value Arbitrage Fund LP.



AK JENSEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF AK JENSEN LIMITED

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and their 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.



AK JENSEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF AK JENSEN LIMITED

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 obtained an understanding of the legal and regulatory frameworks within which the parent company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the rules relevant to the registration of the parent company with the Financial Conduct Authority (FCA).

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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



AK JENSEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF AK JENSEN LIMITED

Use of our report

This report is made solely to the company's member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Bullock
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 26 April 2023



AK JENSEN LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Year ended 31 December 2022 US\$	Year ended 31 December 2021 US\$
Turnover	2	11,451,307	9,527,017
Cost of sales		(4,922,811)	(3,593,238)
Gross profit		6,528,496	5,933,779
Administrative expenses		(4,449,751)	(5,169,246)
Operating profit	3	2,078,745	764,533
Other interest receivable and similar income		3,563	3,802
Interest payable	4	(175,242)	(172,097)
Profit on ordinary activities before taxation		1,907,066	596,238
Tax on profit on ordinary activities	5	(1,335,648)	-
Profit of the year		571,418	596,238
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit of the year		571,418	596,238

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the statement of comprehensive income.

The notes on pages 15 – 40 form part of these financial statements.

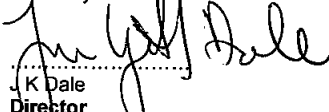


AK JENSEN LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		2022 US\$	2021 US\$
Fixed assets			
Non-current assets			
Tangible assets	6	20,060	15,178
Non-current receivables	8a)	95,890,244	28,166,362
		<u>95,910,304</u>	<u>28,181,540</u>
Current assets			
Debtors	8b)	30,746,232	20,984,716
Cash at bank		2,096,987	1,933,773
		<u>32,843,219</u>	<u>22,918,489</u>
Total assets		<u>128,753,523</u>	<u>51,100,029</u>
Capital and reserves			
Called up share capital	10	972	972
Share premium		11,384,762	11,384,762
Profit and (loss) account		(2,535,660)	(3,107,078)
Total equity		<u>8,850,074</u>	<u>8,278,656</u>
Non-current liabilities			
Loan payable	9a)	95,841,225	28,112,343
Current liabilities			
Trade and other payables	9b)	24,062,224	14,709,030
Total equity and liabilities		<u>128,753,523</u>	<u>51,100,029</u>

The financial statements were authorised and approved by the Board on 26 April 2023 and signed on its behalf by:


K Dale
Director
Company number: 04545354



AK JENSEN LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

2022	Share capital	Share premium	Profit and (loss)	Total equity
	US\$	US\$	account US\$	US\$
Balance at 1 January 2022	972	11,384,762	(3,107,078)	8,278,656
Profit for the year	-	-	571,418	571,418
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	571,418	571,418
Balance at 31 December 2022	972	11,384,762	(2,535,660)	8,850,074

2021	Share capital	Share premium	Profit and (loss)	Total equity
	US\$	US\$	account US\$	US\$
Balance at 1 January 2021	972	11,384,762	(3,703,316)	7,682,418
Profit for the year	-	-	596,238	596,238
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	596,238	596,238
Balance at 31 December 2021	972	11,384,762	(3,107,078)	8,278,656



AK JENSEN LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes to cash flow statement	Year ended 31 December 2022		Year ended 31 December 2021	
		US\$	US\$	US\$	US\$
Cash used in operation	1	(67,370,863)		(26,567,057)	
Interest received		3,563		3,802	
Interest paid		<u>(175,242)</u>		<u>(172,097)</u>	
Net cash outflow from operating activities			(67,542,542)		(26,735,352)
Cash flow from investing activities					
Payments to acquire tangible assets		<u>(23,126)</u>		<u>(4,852)</u>	
Net cash outflow for investing activities			(23,126)		(4,852)
Cash flow from financing activities					
Morgan Stanley/ Maybank/Nomura financing		<u>67,728,882</u>		<u>28,112,343</u>	
Net cash inflow from financing activities			67,728,882		28,112,343
Increase in cash in the year	3		<u>163,214</u>		<u>1,372,139</u>

The notes to the cash flow statements are included on the next two pages.



AK JENSEN LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Reconciliation of operating profit to cash used in operation

	2022	2021
	US\$	US\$
Operating profit	2,078,745	764,533
Depreciation of tangible assets	21,952	31,835
Exchange Difference	(3,708)	-
Increase in debtors	(9,761,516)	(1,563,170)
Net increase in Morgan Stanley/Maybank/ Nomura financing	(67,723,882)	(28,112,343)
Increase in creditors	8,017,546	2,312,088
Cash used in operation	(67,370,863)	(26,567,057)

2. Analysis of net funds

	1 January 2022	Cash flow	Other non- cash changes	31 December 2022
	US\$	US\$	US\$	US\$
Net funds				
Cash at bank and in hand	1,933,773	163,214	-	2,096,987
	<u>1,933,773</u>	<u>163,214</u>	<u>-</u>	<u>2,096,987</u>

3. Reconciliation of net cash flow to movement in net funds

	2022	2021
	US\$	US\$
Increase in cash in the year	163,214	1,372,139
Net funds at 1 January	1,933,773	561,634
Net funds at 31 December	<u>2,096,987</u>	<u>1,933,773</u>



AK JENSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Significant accounting policies

1.1 General Information

AK Jensen Limited, a private Company limited by shares, is incorporated and domiciled in England and Wales, and has its registered office at 1 Cornhill, London, EC3V 3ND.

The principal activity of the Company is to provide a trading and regulatory platform to hedge funds and brokerages.

1.2 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with FRS102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland – and the Companies Act 2006.

1.3 Going concern

The Company meets its working capital requirements through the receipt of commissions from direct market access brokerage clients and from charges for supplying prime brokerage and related services to clients. Ultimately the receipt of commissions and charges from broking clients depends on the availability of liquidity for the Company's clients and the level of broking activity in the market. 2022 was characterised by volatility in the stock markets and foreign currency volatility, however the directors believe that AK Jensen Limited is well positioned to take advantage of the opportunities that are likely to emerge over the coming 12 months.

The Company's parent undertaking, AK Jensen Group Limited, has undertaken to the directors that the parent undertaking will, if required, provide the company with sufficient financial support to enable it to continue to trade as a going concern and to discharge its debts and liabilities as they fall due in the period of at least twelve months from the date of approval of these financial statements.

Having regard to the above and based on their latest assessment of the budgets and forecasts for the business of the Company, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Revenue recognition

Revenue comprises the value of the consideration received or receivable for the sale of services as follows:

- Commission income is earned via external brokers/clearing houses and is recognised at the point of transaction execution.
- Prime broker related income is earned via Company's proprietary trading platform. This comprises both commission income, recognised on the same basis as the above and financing income recognised on an accrued time basis.
- Administration services income is an agreed monthly fee and it is recognised accordingly.
- Investment management income is recognised in the period the services are provided based on a % of the assets under management with a minimum fee agreed, a fixed amount or a % of redemption amount.
- Introducing broker income is earned via external brokers/clearing houses and recognised at the point of transaction execution.



AK JENSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	20% - 30% straight line
Plant and machinery	20% - 30% straight line

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the term of the lease.

1.7 Interest receivable

Interest income is recognised in profit or loss using the effective interest method.

1.8 Interest payable

Finance interest are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument

1.9 Prime brokerage service

AK Jensen Limited provides a prime brokerage service on a back-to-back basis with Morgan Stanley & Co International Plc, Maybank Kim Eng Securities Pte Ltd, Barclays Capital Securities Ltd, DNB Bank ASA, ABN Amro Clearing Bank NV, Marex Financial and others, which allows AK Jensen Limited to offer financing and settlement services to its professional clients.

The balances received from Morgan Stanley & Co International Plc, Maybank Kim Eng Securities Pte Ltd and Nomura International plc are accounted for as a financial liability in the financial statements, with the corresponding loan financing provided to clients recognised as a financial asset.

1.10 Foreign currency translation

The Company's accounting records are maintained in United States Dollars (US\$). The exchange rate at the year end was £1:\$1.2083.

Transactions in other currencies are converted at a rate ruling on the date of transaction. Current assets and liabilities are converted at the rate of exchange ruling at reporting date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.11 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items of taxation and accounting purposes.



AK JENSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1.12 Pension

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Related party transactions

The Company has taken advantage of the exemption in FRS102 Section 33.1A from the requirement to disclose transactions with group companies on the grounds that financial statements are prepared for the ultimate parent company.

1.14 Critical accounting judgements, estimates and assumptions

The preparation of the financial information in conformity with UK GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the year-end date and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period if the provision affects both the current and future periods. The principal areas in which judgement applies are as follows:

Recoverability of trade receivables:

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of

receivables. Where expectation is different from the original estimate, such difference will impact the carrying value of receivables.

Impairment of assets:

When the recoverable amount of an asset is determined based on the estimate of the value-in use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

Estimation of useful life:

The charge in respect of periodic amortisation and depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Company's assets are determined by management at the time the asset is acquired and are reviewed continually for appropriateness.



AK JENSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Turnover

Turnover arose from the following activities:

	2022	2021
	US\$	US\$
Execution income (DMA)	2,017,990	2,898,549
Prime broker related income	8,831,071	6,066,617
Platform income	205,900	285,774
Other income	396,346	276,077
	<u>11,451,307</u>	<u>9,527,017</u>

The analysis of the Company's turnover by geographical origin of customers is set out below:

United Kingdom	116,963	175,949
Europe	2,702,047	3,605,679
Americas	8,316,582	5,124,561
Asia	315,714	620,822
Africa	1	6
	<u>11,451,307</u>	<u>9,527,017</u>

3. Operating profit

	2022	2021
	US\$	US\$
Operating profit stated after charging:		
Depreciation of tangible assets	21,952	31,836
Audit of the company	30,577	20,115
Tax compliance services	3,261	8,714
Loss on foreign currency	49,725	52,407
Property operating leases	254,114	290,304
	<u>360,521</u>	<u>603,376</u>

4. Interest payable

	2022	2021
	US\$	US\$
On bank loans	67	-
On loans from group/ecosystem undertakings	175,175	172,097
	<u>175,242</u>	<u>172,097</u>



AK JENSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Taxation

	2022	2021
	US\$	US\$
Domestic current period tax		
Current tax charge	571,582	-
Adjustment in respect of prior periods	<u>764,066</u>	<u>-</u>
Total tax charge	<u><u>1,335,648</u></u>	<u><u>-</u></u>

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

Profit on ordinary activities before taxation	<u>1,907,066</u>	<u>596,238</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2021: 19 %)	<u>362,343</u>	<u>113,285</u>
Effects of:		
Non deductible expenses	328,504	1,582
Due changes in the rates of tax	(6,180)	-
Group relief claimed	(112,715)	-
Adjustments to tax charge in respect of previous periods	764,066	-
Fixed assed Differences	(370)	-
Deferred tax not recognised	-	(114,867)
Current tax charge	<u><u>1,335,648</u></u>	<u><u>-</u></u>

A deferred tax asset has not been recognised in respect of timing differences relating to losses not utilised and carried forward at the year-end in relation to UK taxation as there is insufficient evidence that the asset will be able to be recovered in future years. The amount of the asset not recognised is US\$35,463 (2021: US\$61,196). The asset would be recovered if the Company made taxable profits in future years.



AK JENSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Tangible fixed assets

2022	Plant and Machinery	Fixtures, fittings & equipment	Permanent fixtures, leased office	Total
	US\$	US\$	US\$	US\$
Cost				
At 1 January 2022	156,415	23,295	40,945	220,655
Additions	23,126	-	-	23,126
Foreign exchange movements	(3,195)	(1,212)	(298)	(4,705)
At 31 December 2022	176,346	22,083	40,647	239,076
Depreciation				
At 1 January 2022	147,785	20,136	37,556	205,477
Charge for the year	13,904	4,196	3,852	21,952
Foreign exchange movements	(4,895)	(2,757)	(761)	(8,413)
At 31 December 2022	156,794	21,575	40,647	219,016
Net book value				
At 31 December 2021	8,630	3,159	3,389	15,178
At 31 December 2022	19,552	508	-	20,060
2021				
	US\$	US\$	US\$	Total US\$
Cost				
At 1 January 2021	170,567	38,261	41,430	250,258
Additions	4,852	-	-	4,852
Disposals	(17,128)	(13,239)	-	(30,367)
Foreign exchange movements	(1,876)	(1,727)	(485)	(4,088)
At 31 December 2021	156,415	23,295	40,945	220,655
Depreciation				
At 1 January 2021	160,001	13,081	29,256	202,338
Charge for the year	16,804	6,731	8,300	31,835
Disposals	(17,023)	(13,073)	-	(30,096)
Foreign exchange movements	(11,997)	13,397	-	1,400
At 31 December 2021	147,785	20,136	37,556	205,477
Net book value				
At 31 December 2020	10,566	25,180	12,174	47,920
At 31 December 2021	8,630	3,159	3,389	15,178



AK JENSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Prime broker balances

AKJ's clients provide collateral against the loans advanced to them by AKJ. AKJ makes loans to clients financed through back-to-back financing agreements with Morgan Stanley & Co International Plc, Maybank Kim Eng Securities Pte Ltd and Nomura International plc acting as the Company's prime brokers. Balances received from Morgan Stanley & Co International Plc, Maybank Kim Eng Securities Pte Ltd and Nomura International plc are accounted for as a financial liability in the financial statements, with the corresponding loan financing provided to clients recognized as a financial asset. AKJ manages the ensuing credit risk directly on a day-to-day basis, both via pre-trade limitations, as well as via post trade analytics and enforcement.

8. Debtors

a) Non-current

	2022 US\$	2021 US\$
Other debtors	49,019	54,019
Loan receivable	95,841,225	28,112,343
	<u>95,890,244</u>	<u>28,166,362</u>

Note 8 a)

Included in loan receivables of \$95.9m (2021: \$28.1m) are net amounts due from Platinum Partners Value Arbitrage Fund LP (the Platinum Fund) of \$29.5m (2021: \$26.5m). The Platinum Fund has been in an ongoing liquidation process under the supervision of the Grand Court of the Cayman Islands, Financial Services Division, since 2016. The liquidation of the Platinum Fund is complex, and the company is closely monitoring the ongoing progress of its claims in the liquidation.

Under the terms of the agreement for broking services between AKJ and the Platinum Fund, in the event of default AKJ was entitled to realize collateral assets and charge compound interest at a penalty rate. The full amount of AKJ's claim against the Platinum Fund is not recognized in the financial statements. At the reporting date the net amount receivable of \$29.5m (2021: \$26.5m) represented approximately 29% (2021: 37%) of AKJ's total claim against the assets of the Platinum Fund of \$100.1m (2021: \$72.2m).

The joint official liquidators (JOL's) issued their latest report on the progress of the liquidation on 17 March 2022. The Directors have assessed the latest available report of the joint official liquidators issued on 17 March 2022. The Directors note that no new information which would be material to our assessment has been communicated by Liquidators. The Directors however note that the litigation had been postponed due to the Covid situation and has more recently began resumption. Last information on the Litigation suggested that there were substantial claims.

AKJ has been running its own legal process towards recovery of the Platinum account in Singapore. The main channels of recovery currently being explored through are as follows:

- Potential own litigation towards Platinum management and broker/intermediates
- Selling of the collateral blocked by the Indonesian authorities



AK JENSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Based on their assessment, at the date of approval of these financial statements the Directors do not consider it appropriate to make provision against the net loan receivables due to the Company from the Platinum Fund. The Directors will continue to monitor the situation and adjust their assumptions accordingly.

b) Current

	2022	2021
	US\$	US\$
Trade debtors	1,488,210	1,454,505
Amounts owed by group undertakings	8,659,670	8,055,420
Prepayments	181,694	307,433
Other debtors	20,416,658	11,167,358
	<u>30,746,232</u>	<u>20,984,716</u>

9. Creditors

a) Non-current

	2022	2021
	US\$	US\$
Loan payable	95,841,225	28,112,343
	<u>95,841,225</u>	<u>28,112,343</u>

The creditor relates to financing obtained from Morgan Stanley & Co International Plc, Maybank Kim Eng Securities Pte Ltd and Nomura International plc acting as the Company's prime brokers. There is an equivalent debtor due from the Company's clients, to whom the Company acts as prime broker.

b) Current

	2022	2021
	US\$	US\$
Trade creditors	1,880,567	2,281,461
Amounts owed to AKJ Crypto Plc	2,155,048	2,205,029
Amounts owed to group undertakings	2,002,441	765,642
Taxes and social security costs	680,024	680,286
Corporate tax payable	1,335,648	-
Accrued costs and deferred revenues	669,015	915,044
Other creditors	15,339,481	7,861,568
	<u>24,062,224</u>	<u>14,709,030</u>



AK JENSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Share capital			
		2022	2021
		US\$	US\$
Allotted, called up and fully paid			
5,819,344 (2021: 5,819,344) Ordinary shares of £0.0001 each		972	972
	Shares	Share Capital	Share
		US\$	Premium
			US\$
At 1 January 2022 and 31 December 2022	5,819,344	972	11,384,762

11. Key management personnel compensation

	2022	2021
	US\$	US\$
Key management personnel remuneration	188,696	388,172

The emoluments of key management personnel disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	US\$	US\$
Directors' remuneration	187,696	199,050

12. Staff costs

Number of employees

The average monthly number of employees (including the Directors) during the year was:

	2022	2021
	No.	No.
Management	2	3
Administration	38	37
	40	40



AK JENSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Staff costs (continued)

	US\$	US\$
Employment costs		
Wages and salaries	2,647,939	2,436,126
Social security costs	223,989	278,386
	<u>2,871,928</u>	<u>2,714,512</u>

13. Pension costs

	2022 US\$	2021 US\$
Contributions payable by the Company for the year	<u>98,155</u>	<u>28,356</u>

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to US\$98,155 (2021: US\$28,356). Contributions totalling US\$nil (2021: US\$nil) were payable to the fund at the reporting date and are not included in creditors.

14. a) Financial Instruments

	2022 US\$	2021 US\$
Financial assets measured at fair value through profit or loss:		
Cash at bank	2,096,987	1,933,773
Financial assets measured at amortised cost:		
Trade debtors	1,488,210	1,454,505
Other debtors	29,125,347	19,276,797
Loan receivable	95,841,225	28,112,343
	<u>128,551,769</u>	<u>50,777,418</u>
Financial liabilities measured at amortised cost:		
Loan payable	95,841,225	28,112,343
Trade creditors	4,035,615	4,486,490
Other creditors	17,814,467	9,542,254
	<u>117,691,307</u>	<u>42,141,087</u>



AK JENSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. b) Financial commitments

At 31 December 2022, the Company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2026:

	2022	2021
	US\$	US\$
Operating leases which expire:		
Within one year	327,677	287,446
Between two and five years	479,789	227,563
After more than five years	-	486,802
	<u>807,466</u>	<u>1,001,811</u>

15. Controlling party

The immediate and ultimate controlling party is AK Jensen Group Limited, a company incorporated in Bermuda. Company registration No. 34440 (Bermuda) Registered office: Clarendon House, 2 Church Street, Hamilton, Bermuda.



AK JENSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

MIFIDPRU 8 Disclosures

Introduction

AK Jensen Limited (04545354) is an MIFIDPRU investment firm, in addition to being licensed as a Small Authorised UK AIFM (Sub-threshold) regulated by the FCA under the Investment Firms Prudential Regime (IFPR).

AK Jensen Limited is permitted to provide the following activities and services:

1. Acting as trustee or depositary of an unauthorised AIF (with limitations)
2. Advising on investments (except on Pension Transfers and Pension Opt Outs)
3. Advising on P2P agreements
4. Arranging (bringing about) deals in investments
5. Arranging safeguarding and administration of assets
6. Dealing in investments as agent
7. Dealing in investments as principal (with limitations)
8. Making arrangements with a view to transactions in investments
9. Managing an unauthorised AIF
10. Managing investments (with limitations)
11. Safeguarding and administration of assets (with limitations)

The above activities and services are restricted by customer types (Eligible Counterparty, Professional, Retail) and investment types. It should be noted that AK Jensen Limited only has clients that are either Per Se Professional Clients or Elective Professional Clients. There are no retail customers as clients of AK Jensen Limited, nor is there any plans by the Board to offer any products or services to retail customers in the future.

AK Jensen Limited is categorised as non-SNI firm according to the prudential sourcebook for MiFID investment firms.

Risk Management

a. Management body

AK Jensen Limited's management body is formed by the Board of Directors (BoD) and CEO. The management body is, among other, ultimately accountable for the internal control framework, risk management (inc. the Risk Appetite Framework) and the effectiveness and robustness of the ICARA-process and responsible for demonstrating leadership and set the strategy for the process.

b. *Risk Management Function*

The Risk Management Function is a centralised independent control function. The primary responsibilities of the risk function are:

- Ensure that the risk management function has adequate policies, procedures, risk limits and risk controls.
- Develop, maintain, and advise on the risk management frameworks to establish effective processes for identifying, assessing, and managing risks.
- Ensure that risks are identified, assessed, measured, monitored, managed and properly reported on and addressed by the relevant units.
- Ensure internal limits are consistent with the Group's risk appetite and commensurate with its sound operation, financial strength, capital base and strategic goals.
- Escalate and respond to risk-related concerns with regards to the potential of breaches and/or limits/thresholds, where required.
- Advising the management body, enabling the body to understand the overall risk profile.
- Advise on strategic decisions with material impact on the Groups risk profile.
- Report risk-related information enabling the board to set the appropriate risk appetite level and assess the robustness and sustainability of the risk strategy and appetite.
- Analyse trends and recognise new or emerging risks and increases in risk arising from changing circumstances and conditions.



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The head of Risk Management has a direct reporting line to all management bodies of the regulated subsidiaries of AK Jensen Group serviced by the Risk Management Function, including AK Jensen Limited.

c. Risk Management and Control Framework

AKJ Jensen Limited risk universe is divided between prudential risk and behavioural risk, with prudential risks further divided into "Financial Risks", and "Non-Financial Risks". Prudential risks are primarily managed by the Risk Management Function, and behavioural risks as well as certain aspects of operational risk, are managed by the Compliance Function (such as conflicts of interest, market abuse, fraud, external events etc.).

AK Jensen Limited's risk universe is the result of a firm-wide risk assessment. The assessment forms the basis for our policy on Risk Management and risk appetite framework.

d. AKJ Limited - Risk Appetite Statement

The BoD stays informed of risk development of AK Jensen Limited through regular reports and established notification procedures. The risk appetite framework and other risk frameworks are considered and approved by the Board of Directors at least once a year. The BoD believes that the company's risk management is sufficient and well adapted to the risk appetite and business strategy.

In accordance with principles on effective risk management, the Board has declared that AK Jensen Limited has overall satisfactory risk management and, with the exception of a defaulted client counterparty (Platinum), are within its current risk appetites and thresholds.

e. Risk Appetite(s)

The risk appetite framework forms part of the strategic management of AK Jensen Limited and is implemented in throughout the organisation in the form of thresholds and assessment principles for the types and sources of risk within the context of the firms' operations and strategic decision-making.

Risk thresholds can be assigned to sources, categories, risk types, functions or entities and underpins the overall limit and risk capacity of the risk appetite framework.

The procedures for monitoring risk indicators are tailored to the individual business areas and are meant to ensure that risk is kept within the level stipulated in the risk appetite framework.

Dimension	Statement
Credit Risk	AKJ has a moderate appetite for credit risk. We believe that taking on carefully considered and diversified credit exposures can provide attractive returns. However, we will also be mindful of the potential downside risks and will regularly review and assess our credit positions to ensure that they are consistent with our risk tolerance and our objectives.
Market risk	AKJ has a low appetite for market risk. We do not take market risk on own balance sheet and do not make investments for trading or speculative purposes. Investments must minimise market risk and expect a target return commensurate with the instruments underlying the investment. No investment above \$25k is acceptable without approval and support from the wider AKJ group.
Fiduciary Risk	AKJ's risk appetite is to always act in the best interest of clients and beneficiaries, with a commitment to: <ul style="list-style-type: none"> • Achieving risk-adjusted returns that align with the investment objective or mandate • Avoiding style drift and adhering to the investment guidelines prescribed by the client • Preventing conflicts of interest, self-dealing, and preferential treatment of clients, such as trade allocation or portfolio churn • Providing portfolio execution and transaction costs that align with client requests • Resolving client complaints in a timely manner • Safeguarding client assets • Providing timely and accurate reporting • Maintaining effective controls over outsourced delegated functions.



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	<p>AKJ has zero tolerance for any actions that deliberately or negligently deviate from these risk appetite statements.</p> <p>Inadvertent breaches of our Fiduciary obligation are covered in the Operational Risk Appetite.</p>
Operational risk	<p>AKJ has a low appetite for operational risk. We place a high priority on maintaining robust and effective risk management processes and controls to minimise the likelihood and impact of operational failures or disruptions. We will regularly review and test our systems, policies, and procedures. We have established clear lines of responsibility and accountability for managing operational risks and will ensure that our employees receive the necessary training and resources to fulfil their roles and responsibilities effectively.</p>
Business & Strategic risk	<p>AKJ has a medium appetite for business risks. We recognise that the success of our operations depends on the effective management of a wide range of business risks, including strategic, financial, operational, and regulatory risks. We will therefore implement robust risk management processes and controls to minimise the likelihood and impact of these risks, and will regularly review and assess our risk profile to ensure that it is aligned with our overall risk tolerance and portfolio objectives. AKJ shall not undertake any activities or enter into any new businesses without due regards to any of AKJ's other risk appetite statements.</p>
Settlement risk	<p>AKJ has a low appetite for settlement risk, particularly in relation to DVP (Delivery versus Payment) and PVP (Payment versus Payment) processes. We recognise that the failure to settle trades properly can have significant consequences for our portfolio and our clients, and we, therefore, place a high priority on ensuring the timely and accurate settlement of all transactions. We use robust risk management controls and processes to minimise the likelihood of settlement failures, including the use of appropriate settlement infrastructure and the implementation of robust collateral management practices. We will also carefully monitor and review our settlement exposures on an ongoing basis to ensure that they are consistent with our risk tolerance and portfolio objectives.</p>
Liquidity risk	<p>AKJ has a low appetite for liquidity risk. We will also regularly review and assess our liquidity needs and positions to ensure that they are consistent with our tolerance and objectives. AKJ (at both a consolidated group and regulated entity level) seeks to have sufficient liquidity to meet commitments as they fall due (and a certain contingency for unexpected events).</p>

f. Risk Thresholds for AKJ Limited

Dimension	Threshold / Dimension	Assessment 2022
Credit Risk	<ul style="list-style-type: none"> No debts greater than 120 days old. Bad debts > 0.1% of net revenue Main banks must be at least a BBB- credit rating. 	<p>AKJ allows PB clients to borrow funds from AKJ using their cash equity/bond portfolios as collateral, i.e. clients are allowed to trade on margin. AKJ has established firm procedures on how to handle the ensuing credit risk. Pre-trade controls are put in place, preventing clients from placing trades outside of agreed risk parameters. All client accounts adhere to margin rules that are either the firmwide default ones or specifically setup for the client in question.</p> <ul style="list-style-type: none"> The adherence to margin rules is monitored daily on a post-trade basis, non-adherence results in a margin call, with its associated strict procedural framework. Serious margin calls are reported to the Board. Clients that want a structure that is in any way seen as being outside of firmwide risk parameters are raised to the board, based on the assessment of the Risk Department that the suggestion is prudent and still makes sense from a risk management perspective, for the board to approve or reject the request. Number of margin calls in 2022 was zero. Please note that AKJ is involved in an ongoing litigation process dealing with the Platinum hedge fund bankruptcy.



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		where one of our margin accounts went negative due to the assets not being allowed to be sold to meet the initial margin call (due to local regulatory rulings in Indonesia). A defaulted counterparty is by definition outside of our risk appetite. The risk and possible harm from the outcome of the litigation process is identified as part of the harms assessment, and forms part of our wind-down monitoring scenarios. Please confer the harms assessment for details.
Regulator/investor risk	The risk that funds trade outside of their investment mandate, stipulated in the OS creating a breach. Max 2 breaches per year.	AKJ monitors the FMs' adherence to the investment mandate for all funds under management on a post-trade basis. In addition pre-trade controls are used to limit trading in line with such parameters. FMs are warned if the leverage of the fund gets near max leverage per the OS. There are strict procedures in place for how to handle investment mandate breaches.
Market risk	<ul style="list-style-type: none"> Investments must minimise market risk and expect a target return commensurate with the instruments underlying the investment. No investment above \$25k is acceptable without approval and support from the wider AKJ group. FX: AKJ has no appetite for complex hedging transactions on its own balance sheet and will manage exposures in as simple a manner as possible. AKJ's appetite is defined by the local regulatory capital requirements. 	Within threshold
Operational risk	<ul style="list-style-type: none"> No critical risks identified without linked risk mitigating actions. Only the Board may accept critical operational risk factors without additional risk mitigation. Number of operational risk incidents less than 2 per year. No deliberate unfair, unclear or misleading marketing activities that could be detrimental to either the specific message that is being communicated or to the company's reputation (including fines or censure of any kind levied for misleading advertising). 	Only the Board may accept critical operational risk factors without additional risk mitigation. Currently within all thresholds.
Business & Strategic risk	AKJ has no appetite to undertake any project committing greater than \$100k from AKJ's balance sheet on one project or cumulatively per annum on a series of linked projects without seeking AKJ Board approval.	Within threshold

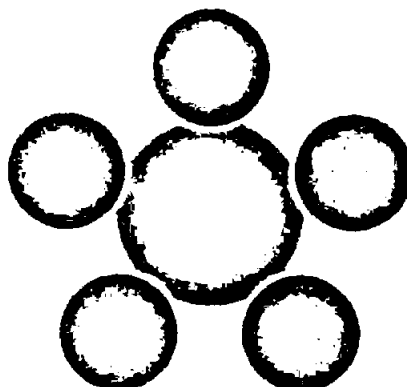
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Liquidity risk	<ul style="list-style-type: none"> Current Ratio of minimum 1.1. Liquid Assets as a percentage of total (short-term) assets at least 20%. 	<ul style="list-style-type: none"> Long term liabilities are matched by long term assets. AKJ (at both a consolidated group and regulated entity level) seeks to have sufficient liquidity to wind down in an orderly manner even in the event that it is unable to call upon the assets of the wider AKJ group. Minimum capital aim to be deposited at a bank and or debtors to be £935k.
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g. Risks and Harms Assessment

AKJ has established a risk management process that includes the following steps: identification, analysis, evaluation, manage and monitor. We then analyse the identified risks and aim to understand their likelihood and potential impact and evaluate in order to determine their overall significance and whether we have existing systems and controls in order to mitigate the risk. Based on the assessment, we evaluate on whether we should implement risk treatment measures to mitigate, manage and monitor the potential risks identified. A central change from ICAAP is that the risk assessment should not only consider just 'risk/risks' but should also consider the potential for harm into the assessment, which has been considered in our assessment of additional Own Funds.



h. Risk Committee

The Risk Committee is responsible for assisting the Board in its oversight of risk, reviewing the Group's risk appetite and risk profile in relation to capital, liquidity, operational and reputational value, reviewing the effectiveness of the risk management framework, reviewing the methodology used in determining the capital requirements, stress testing, ensuring due diligence appraisals are carried out on strategic or significant transactions, working with the Remuneration Committee to ensure that risk management is properly considered in setting remuneration policy, and monitoring prudential regulatory requirements across the Group.

i. Systems and controls

AK Jensen Limited maintains an operational risk and harm registry which is regularly assessed by the Risk Committee. In addition, the New Product Approval Process ensures that all new product and services are assessed by all relevant department and subject to throughout review. The aim of the framework and processes is to ensure that AKJ Limited understands the risk we pose and implement mitigants where it is appropriate to reduce the potential for harms. The Risk Management Framework is described in the Risk Management Policy and is owned by the Risk Function.



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j. Culture & Philosophy

AK Jensen Limited is dedicated to creating a strong risk culture through policies, communication (e.g., tone-from-the-top), and trainings. We view having an integrated governing framework (including internal control mechanisms and risk management) as a long-term strategic and competitive advantage. As such, a sound and robust governing and control framework is key to the organisation's long-term success.

Financial Adequacy Assessment

The BoD Assessment on Overall Financial Adequacy

The Board of Directors of AK Jensen Limited has reviewed and assessed the company's compliance with the overall financial adequacy rule. We have conducted a thorough review of our financial position, including our assets, liabilities, and overall financial performance. We have also assessed our internal controls and procedures to ensure that they are robust and effective in managing risks and potential harms that may arise.

Based on our review and assessment, we have determined that AK Jensen Limited is adhering to the overall financial adequacy rule. We have adequate financial resources to meet our obligations and to continue our operations throughout the economic cycle as demonstrated by our stress tests. Our financial position is strong, and our internal control framework and procedures are effective in identifying, assessing, and managing financial risks and harms.

a. Own Funds and Liquid Assets

i. Own Funds Requirement (OFR)

The Own Funds Requirement (OFR) under IFPR replaces the Pillar 1 requirements for current IFPRU and BIPRU firms. The capital requirement will be the higher of the Permanent Minimum Requirement (PMR) and Fixed Overhead Requirement (FOR) and the K-Factor Requirement (KFR). The 'Pillar 2' is replaced and determined on a "Pillar 1 1" plus basis. The requirement is calculated as the higher of the:

- FOR + additional amounts needed to wind down
- KFR + additional capital for any risks not captured by KFR.

In order to satisfy the criteria for OFR, the following conditions apply:

- a. at least 75% of the own funds threshold requirement must be met with any combination of common equity tier 1 capital and additional tier 1 capital; and
- b. at least 56% of the own funds threshold requirement must be met with common equity tier 1 capital.

ii. Basic Liquid Asset Requirement

The requirement is equal to one third of the amount of its fixed overheads requirement, and 1.6% of the total amount of any guarantees provided to clients.

i. FOR

The FOR is 25% (or three months) of relevant expenses of the last year's audited accounts. However, if there is a material change¹ to the relevant exposures for the current year, the FOR should be adjusted. AK Jensen Limited FOR is calculated to be £1,072,947² based on 2022 figures, details of the breakdown can be found in appendix III.

ii. PMR

The PMR for AK Jensen Limited is £750,000.

iii. KFR cap

The KFR is the sum of the three categories, Risk to Market (RtM), Risk to Customer (RtC) and Risk to Firm (RtF). The individual elements of each K-factor are calculated using a series of coefficients. The details on AK Jensen Limited's implementation, assessment and calculations are documented in 'IFPRU-factor Analysis' and is available should the FCA request it.



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Requirement	Category	Requirement GBP (per 31.12.22)	Scope Assessment
K-NPR (net position risk)	(RtM)	0	Relevant
K-CMG (clearing margin given)	(RtM)	0	Relevant
K-AUM (assets under management- managing or advising (ongoing) on investments)	(RtC)	4,604	Relevant
K-ASA (client assets safeguarded and administered)	(RtC)	129,966	Relevant
K-CMH (client money held)	(RtC)	42,194	Not Relevant ³
K-COH (client orders handled)	(RtC)	65	Relevant
K-TCD (trading counterparty default)	(RtF)	5,434	Relevant
K-DTF (daily trading flow – cash trades)	(RtF)	26,938	Relevant
K-DTF (daily trading flow – derivatives)	(RtF)	1,223	Relevant
K-CON (concentration risk)	(RtF)	0	Relevant
Total		210,217	

iii. Additional Own Funds

In addition to the minimum under OFR, AK Jensen Limited have assessed the need for additional capital to protect against harms not covered or only partly covered by the KFR- requirement.

The additional capital assessment has been addressed as a series of hypothetical and realistic scenarios according to the methodology outlined by the FCA. The scenarios are assessed to ensure we have appropriate and proportional measures to reduce the risk of the scenario materialising, and the potential for harms. The assessment is then measured against our risk appetite and attributed to the relevant k-factor where applicable. The assessments are based on expert judgement, and where relevant, data from existing materialisation of risks and impact assessment.

The assessed additional capital to protect against harms not covered or only partly covered by the KFR-requirement is £338,409.

b. Determination of Own Funds Threshold Requirement

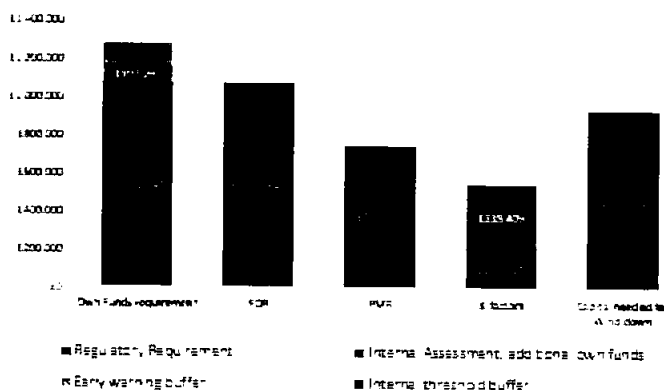
Applying the assessment criteria to the FCA, AK Jensen Limited has determined that the OFR is the level of the FOR and we have assessed that we do not need to hold any additional own funds in order to comply with the overall financial adequacy rule beyond what is given by the FOR.



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i. Capital Requirements



Requirement	Min Requirement	Regulatory internally assessed requirement
FOR	£1,072,947	
PMR	£750,000	
K-factors	£210,217	
Capital needed for Wind-down	£935,201	
Additional capital held to protect against harms	N/A	£338,409

Own Funds

i. Assessment of own funds

According to the ICARA assessment, AK Jensen Limited's own funds as of December 31, 2022, were \$8.3 million. The own funds which consists exclusively of CET1 and is able to meet OFAR in full with CET 1. The company holds no Tier 2 capital. The Tier1 Capital are based on unaudited figures and therefore does not include the positive profit for the year of 2022.

AK Jensen Limited's CET1 capital was well above the regulatory requirement of £1.072 million (Own Funds threshold). The firm has an adequate capital base. Based on the ICARA assessment, the own funds are of high quality and are able to support AK Jensen Limited's risk profile. The firm has a strong capital base that is well above the regulatory requirements.

The own funds threshold is £1.072 million, and the AK Jensen Limited's CET1 capital converted to GBP is £6.822 million (using the average rate for GBP/USD throughout 2022). Therefore, excess capital above the own funds threshold is £5.749 million (£1.072 million - £6.822 million). Taking into account internal threshold (120% of Own Funds), the excess capital is £5.535 million above the internal threshold (converted).

In this case, the CET1 capital ratio is well above the regulatory requirements, indicating that AK Jensen Limited has sufficient high-quality capital to absorb losses.



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Remuneration

As part of the Investment Firm Prudential Regime ("IFPR") and SYSC 19G of MIFIDPRU Remuneration Code ("the Code"), AK Jensen Limited ("AKJL" or "Firm") is expected to ensure that its remuneration policies and practices are clear and well-documented, which this Remuneration Policy document intends to achieve. This policy document outlines the remuneration and incentive arrangements applicable to AKJL's employees and reflects the business's remuneration strategy and objectives, which are principally to:

Strategy

- Align with business strategy, objectives, values and long-term interests of AKJL and its clients
- Support the recruitment and retention of high calibre talent

Employees

- Encourage enhanced individual employee performance
- Fairly and transparently reward individuals for their contribution to the success of the business
- Encourage collegiate behaviour by all employees

Compliance

- Proactively manage poor performance and behaviours not aligned to the corporate values, and reward strong performance and the demonstration of company and corporate values
- Focus on generating attractive real returns for our clients over the long term
- Comply with relevant legislation and regulation

Clients

- Reinforce the importance of effective compliance, risk management and appropriate client outcomes
- Meet FCA and internal requirements regarding the suitability of investment advice
- Comply with the Code

The HR department acts as the custodians of this Remuneration Policy document, with any updates carried out in conjunction with the Legal, Compliance and Risk departments. Final review and approval are sought from the AKJL Board.

1. General firm information

AKJL's remuneration policy has been designed in proportion to the size, internal organisation and nature, as well as to the scope and complexity, of the activities of the firm. The proportionality principle set by the FCA means that the content and level of detail of AKJL's remuneration policy may depend on a number of factors. These may include the number of staff it employs, the different types of roles, the activities it carries out, and whether the firm is part of a group with a group-wide remuneration policy.

Under IFPR, firms can be described as being either SNI (small and non-interconnected), or non-SNI. To be classified as an SNI, firms must satisfy certain criteria, including have an Assets Under Management ("AUM") of less than £1.2 billion and not hold client assets or client money.

SNI firms and non-SNI firms that do not exceed certain balance sheet and exposure thresholds detailed in SYSC 19G.1.1R (such as having an on-and-off balance sheet of more than £300 million) are not in the scope of more complex remuneration rules that would otherwise apply. The firms that do exceed these thresholds are classed as significant non-SNI MIFIDPRU investment firms.

AKJL does not meet the criteria to be an SNI firm, nor does it surpass the higher threshold, which means that AKJL has been categorised as a standard non-SNI MIFIDPRU investment firm.

The Code is applied at three levels – basic, standard, and extended. The basic remuneration requirements are only applicable to SNI firms, basic and standard remuneration requirements are applicable to non-SNI firms and all three levels (basic, standard and extended) are applicable to non-



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SNI firms deemed to be significant. As AKJL is a non-SNI firm, the basic and standard requirements will apply and are outlined in the subsequent sections.

2. General information on remuneration schemes

2.1 Fixed remuneration

Across AKJ Group ("AKJ"), including its subsidiaries such as AKJL, the aim is to pay employees "top of market" through solid base salaries in order to ensure that AKJ attracts and retain top talent and high performers. The base salary is based on the accountability and scope of the role, meaning – we pay for the role not the person. In our view, this leads to equal pay for equal jobs.

2.2 Variable remuneration

As stated above in 3.1, AKJ aims to pay all employees "top of market" through solid base salaries to ensure that we attract and retain top talents and performers. With a high base salary in place, we avoid big bonuses that can lead to sub-optimal decisions and actions. In AKJL, variable bonuses apply for two groups only.

- Sales team, who have bonuses based on number of funds signed and the total AUM; and
- Fund Coordination and Legal departments, who have bonuses based on the length of time taken to onboard new funds on AKJ's fund platform (with AKJL as investment manager or sub-manager for a number of these funds).

AKJ's remuneration arrangements are in place to ensure that staff remain motivated, whilst at the same time ensuring that the remuneration arrangements do not encourage inappropriate conduct or behaviour, and excessive risk taking. AKJ recognizes this conflict and, through robust, ongoing monitoring, must remain alert to any potential abuse. This policy on remuneration to be applied on a case-by-case basis depending on the role performed by the individual.

AKJL identifies and retains a record of staff caught by the Remuneration Code; these are considered as Material Risk Takers ("MRT"). The record is kept by AKJL's Head of HR and is reviewed and updated periodically by the Board of AKJL as well as the Head of HR, with input also from Accounting / Finance team.

All MRTs subject to the Code are identified each year (a MRT includes categories of staff whose professional activities have a material impact on the risk profile of AKJL or of the assets that it manages). Details on MRTs as of the end of 2022 (31/12/2022) for AKJL are as follows:

- The number of MRTs identified for AKJL as of 31/12/2022 is 16.
- This figure consists of the Board of Directors, Heads of departments, and Fund Managers who were paid remuneration above the MRT threshold.
- The total remuneration of the group of identified MRTs as of 31/12/2022 is US\$1,856,117. This total amount is derived of US\$916,652 fixed remuneration, \$833,771 variable remuneration, with the remainder made up of employer pension contributions and benefits in kind.
- MRTs under a variable remuneration scheme are subject to performance adjustment.

Certain individuals which may be classed as MRTs may be excluded from relevant provisions of this remuneration policy where the MRT has variable remuneration of £167,000 or less and has variable remuneration which makes up one-third or less of their total remuneration.

2.3 Long-term incentive plan

All employees of AKJL, are part of the AKJ Token option scheme, where they are able to buy a specific number of Tokens based on the level of their role, at a fixed price. This scheme will not incentivise short-term profit or sub-optimal decisions as it is to be considered a collective bonus scheme where the value and output is based on the overall performance for the group as such, over several years.



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3. Basic remuneration requirements

3.1 Gender neutral remuneration policies and practices

AKJL employs a gender-neutral remuneration policy which ensures all practices referred to in SYSC 19G.2.1R are gender neutral. This means that any and all remuneration policies and practices used by AKJL are created and enforced equally (regardless of gender or any other particular type of characteristic (as identified in the 2010 Equality Act)), based on equal pay for male and female workers for equal work or work of equal value and with reference to professional ability only.

4.2 Risk management

AKJL ensures that its remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk appetite of AKJL.

All staff have a role to play in risk management, and conflicts of interest management. AKJL seeks to ensure that risk management and the mitigation of conflicts of interest permeates everything we do. In particular, this means that staff must have regard to the quality of people/business they introduce to AKJ and robust due diligence is essential here.

Further details can be found in AKJ's Risk Management Policy.

1.3 Business strategy

AKJ ensures its remuneration policy is in line with the business strategy, objectives, values and interests of AKJ and the AIFs AKJIM manages and the investors of such AIFs.

AKJ's remuneration policy takes into account the following factors:

- risk appetite and strategy, including environmental, social and governance risk factors;
- culture and values; and
- the long-term effects of the investment decisions taken.

4.4 Avoiding conflicts of interest

AKJL has a conflicts of interest policy in line with requirements outlined in the FCA rules. AKJL is aware of the need to ensure that its Remuneration Policy will not give rise to any conflicts of interest. AKJL believes that its approach to remuneration removes any material conflicts of interest due to:

- Bonus payments being discretionary, based on the firm's performance and individual objectives, rather than solely AUM growth targets or an incentive-based approach.
- Bonus payments not being excessive compared to fixed remuneration and adherence to the specific requirements on the balance between fixed and variable remuneration.
- Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of the role they perform and does not include share options or other performance related elements.

4.5 Oversight of remuneration policies and practices

AKJL must identify and keep a record of staff caught by the Remuneration Code. The record is kept by AKJ Group's HR Director who has responsibility for adopting, reviewing and overseeing the implementation of AKJ's remuneration policy.

The remuneration policy is reviewed and updated periodically by the respective entity's Board of Directors supported by Director of HR.

The Board of Directors in its supervisory function may use discretion to adjust the bonus pool and/or individual payments including any paid out in individual incentive schemes.



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4.6 Control functions

AKJL has procedures in place to ensure any staff in a control function (i.e. Risk and Compliance departments) are independent from the business units they oversee and have appropriate authority. Remuneration for Risk and Compliance functions is not directly tied to company financial performance. This should act as a strong mitigant to ensure support from Risk and Compliance is not tainted by commercial pressures. AKJL ensures that employees engaged in control functions are compensated according to the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

In addition to the above, AKJL ensures the remuneration of the senior officers in the risk management and compliance functions is directly overseen by the Board of Directors of the respective entity.

4.7 Categorising fixed and variable remuneration

Fixed and variable remuneration may vary between different categories of staff. The criteria for setting fixed remuneration vs variable remuneration is based on a consideration of whether a variable component will incentivise desired actions and results, or not. If the variable component is adjusted, the adjustment will apply to all staff within the same category.

4.8 Balance of fixed and variable components of total remuneration

There is no rule impacting on maximum proportion of variable pay that may be paid by AKJL except that the fixed component must represent a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component. This is achieved through transparency on variable bonuses between senior management.

Where appropriate, AKJL will employ necessary ex-post risk adjustments. The types of adjustments available to the firm are [reducing current year awards, the application of malus (reducing or cancelling deferred incentive awards that have not yet vested), and clawback (recouping already vested awards).

AKJL does have staff employed who receive only fixed remuneration.

4.9 Remuneration and capital

AKJL ensures through the oversight of the Board of Directors and the Director of HR that the variable remuneration pool of capital may not impact on the soundness of the respective firm's capital base.

4.10 Assessment of performance

MRTs under a variable remuneration scheme are subject to the following financial performance criteria:

- a) the individual;
- b) the business unit concerned; and
- c) the overall results of AKJL;

The non-financial criteria includes:

- a) the extent of the employee's adherence to effective risk management, and compliance with the regulatory system and with relevant overseas regulatory requirements; and
- b) metrics relating to conduct, which should comprise a substantial portion of the non-financial criteria;

Poor performance, such as poor risk management or other behaviour contrary to AKJL's values, can pose significant risks for AKJL and non-financial metrics should override metrics of financial performance where appropriate.

As noted in 4.1, AKJL ensures that the award of remuneration to an individual is not discriminatory on the basis of the protected characteristics of an individual in accordance with the Equality Act 2010.



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2. Standard remuneration requirements

5.1 Material risk taker (MRT) identification

As detailed above in section 3.2, AKJL is required to identify those employees who fall within the category of MRT and, as such, who will have their remuneration governed by this policy. For this purpose, AKJL considers whether the employee's professional activities are deemed to have material impact on the firm's risk profile or the assets the firm manages if one or more certain are met. With this in mind, the following groups of individuals are considered:

- Senior Management;
- Risk takers;
- Staff engaged in control functions; and
- Any employee whose professional activities have a material impact on the firm's risk profile

AKJL considers that only those individuals classified as Senior Management i.e., all individuals who are members of the Board, and all heads of departments, are classified as MRTs, as well as any individual whose remuneration is above the MRT threshold. This means that each year some Fund Managers may also be classified as MRTs.

The full list of MRTs will be maintained by AKJL's Head of HR, and the implications of this status will be explained to those individuals. The list of MRTs will be reviewed by the AKJL Board or the Head of HR on an annual basis at the same time this Remuneration Policy is assessed.

AKJ Head of Compliance is responsible for ensuring that all MRTs understand the implications of this status in relation to the requirements of the Code, particularly those employees who were not MRTs in previous performance years.

5.2 Awards of non-standard forms of variable remuneration

Non-standard forms of variable remuneration, for example guarantees, retention awards, severance pay, buy-out awards, whilst acting as tools to be used if the situation requires it, are not tools that AKJ regularly uses or without due consideration and robust challenge from the senior members of the business. They would only be used in exceptional circumstances, and always with reference to the principles of this Code.

Specifically with regards to severance pay, no maximum level has been outlined in this document as there are a number of variables that will impact this and may mean that AKJL is legally obliged to pay in excess of this maximum level. Any amounts that fall under the definition of severance pay will, as with any other non-standard forms of variable remuneration, will be guided by the overarching principles of this Remuneration Policy.

5.3 Risk adjustment

When determining the quantum of the variable remuneration pool, the ability to retain a sound capital base will be a key consideration. AKJL will also ensure that, when measuring the firm's performance, it

- a) includes adjustments for current and future risks
- b) takes into account the cost and quantity of the capital and liquidity required
- c) takes into account the need for consistency with the timing and likelihood of AKJL receiving potential future revenues incorporated into current earnings.

When determining the size of departmental bonus pools, both top-down and bottom-up methodologies are applied to ensure all options have been considered. Where financial measures are able to be applied to a particular department, they will be considered in the determination of the size of the bonus pool to award.



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AKJL's focus is to generate investment performance for its clients and to achieve overall growth of the business. The remuneration of MRTs is therefore linked to the overall performance of AKJ Group, performance of the business unit they are responsible for and their individual performance against a range of pre-agreed criteria that are discussed as part of the objective setting process and monitored as part of the performance appraisal process. Consideration is also given to prior performance years other than the current one and over a longer-term time horizon.

All remuneration schemes aim to follow a 1:1 maximum fixed to variable ratio. Where there is a possibility that this will be exceeded, such excess is discussed and agreed or rejected by the AKJL Board. Only in exceptional circumstances will the variable remuneration exceed a 1:2 fixed to variable ratio.

5.4 Performance adjustment

Any amounts awarded to any of AKJL's MRTs that fall under the definition of variable remuneration may be subject to adjustment events, which includes the use of malus (adjusted before any awards are made or before they vest or become exercisable) and clawback (requirements for a recipient to reimburse the firm for all or part of any award).

Any adjustment events will be made entirely at the discretion of the Board of AKJL or the Head of HR and will be made with reference to a multi-year period, with no maximum limit placed on the period that can be referenced. The clawing back of any remuneration will be carried out within a maximum period of three years from the payment or vesting date. The determination of any amounts to be adjusted will be made with reference to a number of factors including (but not limited to):

The impact of the failure on AKJ's relationships with its other stakeholders including shareholders, employees, creditors, the taxpayer and regulators;

- The cost of fines and other regulatory action;
- Direct and indirect financial losses attributable to the relevant failure; and
- Reputational damage.

Adjustment events may include, but not be limited to, the following where an individual is either wholly responsible for or involved with:

- A significant failure of risk management and/or controls.
- Action or conduct which, in the reasonable opinion of the Board and/or Head of HR, amounts to serious misconduct or gross negligence.
- Events or behaviour that has led to the censure of AKJ group by a regulatory authority or has had a significant detrimental impact on the reputation of AKJL or the wider Group.
- A scenario or event which causes material reputational damage to AKJL or the wider Group.
- Any regulatory investigation or breach of laws, rules, or codes of conduct.
- Failure to meet appropriate standards of fitness and propriety as required under SMCR.

Should an individual be subject to an ongoing internal or external investigation that could result in the application of an adjustment event, AKJL retains the ability to freeze any awards until it is satisfied with the outcome of this process, which will be carried out with input from both the Human Resources and Compliance departments, together with input from the individual's Line Manager (or Department Head) and the CEO.

5.5 Personal investment strategies

Robust checks and balances are in place either through the existence of investment committees or notification processes involving the Compliance team, which ensure that that MRTs (and all other employees) are not in a position to implement personal investment strategies that contravene the principles of the Code. All AKJ staff are required to disclose personal investment strategies to Compliance on a quarterly basis and obtain prior approval from Compliance prior to any personal investment is made.



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5.6 Avoidance of the MIFIDPRU Remuneration Code

AKJL supports both the regulatory obligations and the ethics of the FCA's Remuneration Code. No variable remuneration awards will be paid through any vehicles or methods that would facilitate avoidance of the Code.

6. Extended remuneration requirements

6.1 Remuneration Committee

A Remuneration Committee is only required for non-SNI firms where certain balance sheet and exposure thresholds detailed in SYSC 19G.1.1R are exceeded (see Section 2 for more detail).

As AKJL does not exceed these criteria (and is therefore a small non-SNI firm), it has been decided not to formally establish a Remuneration Committee across AKJ Group. Instead, all decision-making regarding remuneration will be taken at Board level or with the Head of HR.

6.2 Shares, instruments and alternative arrangements

This remuneration policy is established on the understanding AKJL is a small non-SNI MIFIDPRU investment firm. Accordingly, this shall not apply to AKJL.

6.3 Retention policy

This remuneration policy is established on the understanding that AKJL is a small SNI MIFIDPRU investment firm. Accordingly, this shall not apply to AKJL.

6.4 Discretionary pension benefits

This remuneration policy is established on the understanding AKJL is a small SNI MIFIDPRU investment firm. Accordingly, this shall not apply to AKJL.

6.5 Deferral

This remuneration policy is established on the understanding AKJL is a small SNI MIFIDPRU investment firm. Accordingly, this shall not apply to AKJL.

7. Remuneration disclosures

AKJ's relevant disclosures can be found via the website address: <https://www.akj.com/legal>



Company Registration No. 04545354 (England and Wales)

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