



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### 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: Geir Arne Skundberg  
Dato for fastsettelse av årsregnskapet: 22.07.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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Brønnøysundregistrene, 11.08.2023



### Resultatregnskap

Beløp i: USD	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	9 527 017	
<b>Sum inntekter</b>		<b>9 527 017</b>	
<b>Kostnader</b>			
Varekostnad		3 593 238	
Lønnskostnad	14	2 436 126	
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	31 836	
Annen driftskostnad		2 648 037	
<b>Sum kostnader</b>		<b>8 709 237</b>	
<b>Driftsresultat</b>		<b>817 780</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		3 802	
Annen finansinntekt		469 999	
<b>Sum finansinntekter</b>		<b>473 801</b>	
Annen rentekostnad		172 097	
Annen finanskostnad		523 246	
<b>Sum finanskostnader</b>		<b>695 343</b>	
<b>Netto finans</b>		<b>-221 542</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>596 238</b>	<b>0</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>596 238</b>	<b>0</b>
<b>Årsresultat</b>	6	<b>596 238</b>	<b>0</b>



### Balanse

Beløp i: USD	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	7	15 178	
<b>Sum varige driftsmidler</b>		<b>15 178</b>	
<b>Sum anleggsmidler</b>		<b>15 178</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	10	1 454 505	
Andre fordringer	10	39 641 153	
Konsernfordringer	10	8 055 420	
<b>Sum fordringer</b>		<b>49 151 078</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	16	1 933 773	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 933 773</b>	
<b>Sum omløpsmidler</b>		<b>51 084 851</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>51 100 029</b>	<b>0</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	12	972	
Annen innskutt egenkapital	12	11 384 762	
<b>Sum innskutt egenkapital</b>		<b>11 385 734</b>	



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		-3 107 078	
<b>Sum opptjent egenkapital</b>		<b>-3 107 078</b>	
<b>Sum egenkapital</b>		<b>8 278 656</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	11	4 486 490	
Betalbar skatt	11	136 545	
Skyldige offentlige avgifter	11	543 741	
Kortsiktig konserngjeld	11	765 642	
Annen kortsiktig gjeld	11	36 888 955	
<b>Sum kortsiktig gjeld</b>		<b>42 821 373</b>	
<b>Sum gjeld</b>		<b>42 821 373</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>51 100 029</b>	<b>0</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 842019

#### Enheten

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

#### Regnskapsår

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Geir Arne Skundberg  
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Brønnøysundregistrene, 15.08.2022



Organisasjonsnr: 990 468 877  
AK JENSEN LIMITED

## RESULTATREGNSKAP

<b>Beløp i: USD</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	9 527 017	
<b>Sum inntekter</b>		<b>9 527 017</b>	
<b>Kostnader</b>			
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<b>Årsresultat</b>	<b>6</b>	<b>596 238</b>	<b>0</b>



Organisasjonsnr: 990 468 877  
AK JENSEN LIMITED

## BALANSE

Beløp i: USD Note 2021 2020

### BALANSE - EIENDELER

#### Anleggsmidler Immaterielle eiendeler

Varige driftsmidler  
Driftsløsøre, inventar,  
verktøy, kontormaskiner  
og lignende 7 15 178  
Sum varige driftsmidler 15 178

Sum anleggsmidler 15 178 0

#### Omløpsmidler Varer

Fordringer 10  
Kundefordringer 10 1 454 505  
Andre fordringer 10 39 641 153  
Konsernfordringer 10 8 055 420  
Sum fordringer 49 151 078

Bankinnskudd, kontanter  
og lignende 16  
Bankinnskudd, kontanter  
og lignende 16 1 933 773  
Sum bankinnskudd,  
kontanter og lignende 1 933 773

Sum omløpsmidler 51 084 851 0

SUM EIENDELER 51 100 029 0

### BALANSE - EGENKAPITAL OG GJELD

Egenkapital  
Innskutt egenkapital  
Selskapskapital 12 972  
Annen innskutt egenkapital 12 11 384 762  
Sum innskutt egenkapital 11 385 734

Opptjent egenkapital  
Annen egenkapital -3 107 078  
Sum opptjent egenkapital -3 107 078

Sum egenkapital 8 278 656 0

Sum langsiktig gjeld 0 0



<b>Kortsiktig gjeld</b>			
Leverandørgjeld	11	4 486 490	
Betalbar skatt	11	136 545	
Skyldige offentlige avgifter	11	543 741	
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<b>Sum gjeld</b>		<b>42 821 373</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>51 100 029</b>	<b>0</b>



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**  
14

Antall årsverk i regnskapsåret  
40.00

**Note**  
14/15

#### Spesifisering av resultatregnskapet

##### Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	2436126.00	
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	278386.00	
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	28356.00	
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	2742868.00	

**Note**



## Ekstraordinære inntekter og kostnader

Sum Beløp

### Note

7

## Varige driftsmidler og immaterielle eiendeler

<u>Anskaffelseskost 01.01.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	250258.00	
<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	4852.00	
<u>Avgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-34455.00	
<u>Anskaffelseskost 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	220655.00	
<u>Samlede av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-205477.00	
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	15178.00	

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





Company Registration No. 04545354 (England and Wales)

**AK JENSEN LIMITED**  
**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



**AK JENSEN LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Anders Kvamme Jensen Jan Ketil Dale
<b>Company number</b>	04545354
<b>Registered office</b>	London 1 Cornhill EC3V 3ND
<b>Auditors</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW



**AK JENSEN LIMITED**

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## AK JENSEN LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### Review of business and future developments

2021 was a positive year for the company, marked by a 16% increase in overall Turnover, despite the headwinds faced due to the on-going COVID-19 restrictions and the end of the post-Brexit transition period. Sustained strong trading activity by the sell-side clients in the early part of the year, alongside a significant growth in asset under management (AuM) and post-trading services to the buy-side clients were the main factors behind the positive result. Profit margins remained stable year on year, still at the high end of the historical range, confirming the continued focus on higher margin business. As a result, the Gross profit also moved up by 16%, in linear fashion with the annual top line increase. The year ended with a profit of over \$500k, lower than in 2020 due to a temporary hike in operating costs.

Looking ahead to 2022, the main focus continues to be client satisfaction, in step with the optimisation 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 increasing inflationary pressures all have the potential to divert significant resources from profitable activities.

#### Key Performance Indicators

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

	2021	2020
	US\$	US\$
Turnover	US\$9.5m	US\$8.2m
Gross profit	US\$5.9m	US\$5.1m
Gross profit percentage	62.30%	62.60%
Employee retention	100%	100%

#### COVID-19 pandemic

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.

2021 has been dominated by the COVID-19 pandemic and its impact on the global economy and all markets. As global central banks commence and contemplate raising interest rates in 2022 and remove



## AK JENSEN LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

excessive liquidity from the financial system, combined with Covid-19 transitioning from a pandemic to being endemic, we believe that bouts of volatility may be more commonplace. At the date of approval of these financial statements it is not clear how long the current circumstances are likely to last and what the long-term impact will be. However, against this backdrop it is worth noting that Company has not observed any operational issues or adverse sales impact since the beginning of the pandemic.

The directors prepare annual budgets and forecasts in order to ensure that they have sufficient liquidity in place in the business. 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.

Further details of the Company's response are set out in note 1.3.

#### Results and dividends

The consolidated statement of comprehensive income for the year is set out on page 10. No dividends were paid during the year (2020: US\$nil).

#### Financial risk management

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

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

The Group 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 and Group 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 Group 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.

#### *Liquidity risk*

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



**AK JENSEN LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

*Currency risk*

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

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

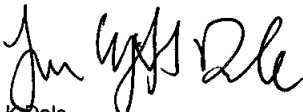
The Group has a policy of maintaining debt at a fixed rate to ensure the certainty of future cash flows. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

**Risks and uncertainties**

The Group provides a back-to-back service between its clients and Barclays Bank Plc, DNB Bank ASA, Maybank Kim Eng Securities Pte Ltd, 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 Group 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 Group 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 Group has in place with ABN Amro Clearing Bank NV.

The Group 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 DNB Markets, Maybank Kim Eng Securities Pte Ltd and Marex Financial as partners, we are exploring additional relationships to spread our counterparty risk.

The Group 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: 11 April 2022



## AK JENSEN LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The Directors present their annual report on the affairs of the Group (AK Jensen Limited (the "Company") and its subsidiaries, together the "Group") together with the consolidated financial statements and auditor's report, for the year ended 31 December 2021. 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 Group is to provide a trading and regulatory platform to hedge funds and brokerages.

#### Directors

The following Directors have held office since 1 January 2021:

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 487 (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 financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Group law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the profit or loss of the Company and the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;



**AK JENSEN LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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- 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 Group 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 the Group 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 the Group 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 Group'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 Group's auditors are aware of that information.

On behalf of the Board

J K Dale  
Director

Date:

11 April 2022



**AK JENSEN LIMITED**

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

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**Opinion**

We have audited the financial statements of AK Jensen Limited (the "parent company") and its subsidiaries (together, the "group") for the year ended 31 December 2021 which comprise the Consolidated statement of comprehensive Income, Consolidated and Company statements of financial position, Consolidated and Company statements of changes in equity, Consolidated and Company 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 group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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 10 a) of the financial statements concerning the recoverability of loan receivables.

As described in note 10 a) to the financial statements, included in loan receivables at 31 December 2021 are amounts of \$26.5 million (2020: \$23.2 million) due from Platinum Partners Value Arbitrage Fund LP, which is in liquidation. At the reporting date the net amount receivable represented approximately 37% (2020: 43%) 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 Group 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 group's or parent 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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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](http://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**

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**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

11 April 2022



## AK JENSEN LIMITED

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$
Turnover	2	9,527,017	8,246,518
Cost of sales		(3,593,238)	(3,085,901)
<b>Gross profit</b>		<b>5,933,779</b>	<b>5,160,617</b>
Administrative expenses		(5,169,246)	(4,109,081)
<b>Operating profit</b>	3	<b>764,533</b>	<b>1,051,536</b>
Other interest receivable and similar income		3,802	356
Interest payable	4	(172,097)	(48,690)
<b>Profit on ordinary activities before taxation</b>		<b>596,238</b>	<b>1,003,202</b>
Tax on profit on ordinary activities	5	-	-
<b>Profit of the year</b>		<b>596,238</b>	<b>1,003,202</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive profit of the year</b>		<b>596,238</b>	<b>1,003,202</b>

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 16 – 40 form part of these financial statements.

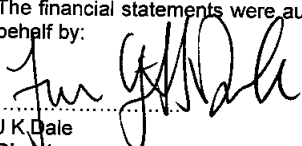


AK JENSEN LIMITED

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 US\$	2020 US\$	2021 US\$	2020 US\$
<b>Fixed assets</b>					
<b>Non-current assets</b>					
Tangible assets	7	15,178	47,920	15,178	47,920
Investments	8	-	-	-	-
Non-current receivables	10a)	28,166,362	43,049,360	28,166,362	43,049,360
		<u>28,181,540</u>	<u>43,097,280</u>	<u>28,181,540</u>	<u>43,097,280</u>
<b>Current assets</b>					
Debtors	10b)	20,984,716	19,416,273	20,984,716	19,416,273
Cash at bank		1,933,773	561,634	1,933,773	561,634
		<u>22,918,489</u>	<u>19,977,907</u>	<u>22,918,489</u>	<u>19,977,907</u>
<b>Total assets</b>		<u><b>51,100,029</b></u>	<u><b>63,075,187</b></u>	<u><b>51,100,029</b></u>	<u><b>63,075,187</b></u>
<b>Capital and reserves</b>					
Called up share capital	12	972	972	972	972
Share premium		11,384,762	11,384,762	11,384,762	11,384,762
Profit and (loss) account		(3,125,940)	(3,722,178)	(3,107,078)	(3,703,316)
Total equity		<u>8,259,794</u>	<u>7,663,556</u>	<u>8,278,656</u>	<u>7,682,418</u>
<b>Non-current liabilities</b>					
Loan payable	11a)	28,112,343	42,990,341	28,112,343	42,990,341
<b>Current liabilities</b>					
Trade and other payables	11b)	14,727,892	12,421,290	14,709,030	12,402,428
<b>Total equity and liabilities</b>		<u><b>51,100,029</b></u>	<u><b>63,075,187</b></u>	<u><b>51,100,029</b></u>	<u><b>63,075,187</b></u>

The financial statements were authorised and approved by the Board on 11 April 2022 and signed on its behalf by:

  
J.K. Dale  
Director  
Company number: 04545354



**AK JENSEN LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>2021</b>	<b>Share capital US\$</b>	<b>Share premium US\$</b>	<b>Profit and (loss) account US\$</b>	<b>Total equity US\$</b>
<b>Balance at 1 January 2021</b>	<b>972</b>	<b>11,384,762</b>	<b>(3,722,178)</b>	<b>7,663,556</b>
Increase of share capital	-	-	-	-
Profit for the year	-	-	596,238	596,238
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive profit for the year</b>	<b>-</b>	<b>-</b>	<b>596,238</b>	<b>596,238</b>
<b>Balance at 31 December 2021</b>	<b>972</b>	<b>11,384,762</b>	<b>(3,125,940)</b>	<b>8,259,794</b>
<b>2020</b>	<b>Share capital US\$</b>	<b>Share premium US\$</b>	<b>Profit and (loss) account US\$</b>	<b>Total equity US\$</b>
<b>Balance at 1 January 2020</b>	<b>904</b>	<b>9,034,830</b>	<b>(4,725,380)</b>	<b>4,310,354</b>
Increase of share capital	68	2,349,932	-	2,350,000
Profit for the year	-	-	1,003,202	1,003,202
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive profit for the year</b>	<b>-</b>	<b>-</b>	<b>1,003,202</b>	<b>1,003,202</b>
<b>Balance at 31 December 2020</b>	<b>972</b>	<b>11,384,762</b>	<b>(3,722,178)</b>	<b>7,663,556</b>



AK JENSEN LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

2021	Share capital	Share premium	Profit and (loss) account	Total equity
	US\$	US\$	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

2020	Share capital	Share premium	Profit and (loss) account	Total equity
	US\$	US\$	US\$	US\$
Balance at 1 January 2020	904	9,034,830	(4,706,518)	4,329,216
Increase of share capital	68	2,349,932	-	2,350,000
Profit for the year	-	-	1,003,202	1,003,202
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	1,003,202	1,003,202
Balance at 31 December 2020	972	11,384,762	(3,703,316)	7,682,418



AK JENSEN LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes to cash flow statement	Year ended 31 December 2021		Year ended 31 December 2020	
		US\$	US\$	US\$	US\$
<b>Net cash outflow from operating activities</b>	1		(26,567,057)		(45,425,645)
Interest received		3,802		356	
Interest paid		<u>(172,097)</u>		<u>(48,690)</u>	
<b>Net cash outflow from investing activities</b>			(168,295)		(48,334)
Payments to acquire tangible assets		<u>(4,852)</u>		<u>(16,398)</u>	
<b>Net cash outflow for capital expenditure</b>			(4,852)		(16,398)
Shares issued		-		2,350,000	
Maybank/Nomura financing		<u>28,112,343</u>		<u>42,990,341</u>	
<b>Net cash inflow from financing activities</b>			28,112,343		45,340,341
<b>Increase/(decrease) in cash in the year</b>	3		<u>1,372,139</u>		<u>(150,036)</u>



AK JENSEN LIMITED

COMPANY CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes to cash flow statement	Year ended 31 December 2021		Year ended 31 December 2020	
		US\$	US\$	US\$	US\$
<b>Net cash outflow from operating activities</b>	1		(26,567,057)		(45,425,645)
Interest received		3,802		356	
Interest paid		<u>(172,097)</u>		<u>(48,690)</u>	
<b>Net cash outflow from investing activities</b>			(168,295)		(48,334)
<b>Capital expenditure</b>					
Payments to acquire tangible assets		<u>(4,852)</u>		<u>(16,398)</u>	
<b>Net cash outflow for capital expenditure</b>			(4,852)		(16,398)
Shares issued Maybank/ Nomura financing				2,350,000	
		<u>28,112,343</u>		<u>42,990,341</u>	
<b>Net cash inflow from financing activities</b>			28,112,343		45,340,341
<b>Increase/(decrease) in cash in the year</b>	3		<u>1,372,139</u>		<u>(150,036)</u>

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



AK JENSEN LIMITED

NOTES TO THE CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Reconciliation of operating profit to net cash outflow from operating activities

	Group 2021 US\$	Group 2020 US\$
Operating profit	764,533	1,051,536
Depreciation of tangible assets	31,835	33,434
Increase in debtors	(1,563,170)	(5,745,717)
Increase in Maybank/ Nomura financing	(28,112,343)	(42,990,341)
Increase in creditors	2,312,088	2,225,443
<b>Net cash outflow from operating activities</b>	<b>(26,567,057)</b>	<b>(42,425,645)</b>

	Company 2021 US\$	Company 2020 US\$
Operating profit	764,533	1,051,536
Depreciation of tangible assets	31,835	33,434
Increase in debtors	(1,563,170)	(5,745,717)
Increase in Maybank/ Nomura financing	(28,112,343)	(42,990,341)
Increase in creditors	2,312,088	2,225,443
<b>Net cash outflow from operating activities</b>	<b>(26,567,057)</b>	<b>(42,425,645)</b>

2. Analysis of net funds

Group	1 January 2021 US\$	Cash flow US\$	Other non- cash changes US\$	31 December 2021 US\$
<b>Net funds</b>				
Cash at bank and in hand	561,634	1,372,139	-	1,933,773
	<b>561,634</b>	<b>1,372,139</b>	<b>-</b>	<b>1,933,773</b>

Company	1 January 2021 US\$	Cash flow US\$	Other non- cash changes US\$	31 December 2021 US\$
<b>Net funds</b>				
Cash at bank and in hand	561,634	1,372,139	-	1,933,773
	<b>561,634</b>	<b>1,372,139</b>	<b>-</b>	<b>1,933,773</b>



**AK JENSEN LIMITED**

**NOTES TO THE CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

<b>Group</b>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Increase/(decrease) in cash in the year	1,372,139	(150,036)
Net funds at 1 January	561,634	711,670
<b>Net funds at 31 December</b>	<b>1,933,773</b>	<b>561,634</b>

<b>Company</b>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Increase/(decrease) in cash in the year	1,372,139	(150,036)
Net funds at 1 January	561,634	711,670
<b>Net funds at 31 December</b>	<b>1,933,773</b>	<b>561,634</b>



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**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.

Until 4 February 2020 AK Jensen Limited had 100% shareholding in Law 2446 Limited, a Company limited by shares, which was incorporated in England and Wales (Company Registration No. 05922061), and had its registered office at Lorton, Toys Hill, Kent, TN16 1QG. Please see Note 8 for more details.

The principal activity of the Group 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. The last quarter of the financial year was characterised by volatility in the stock markets which has noticeably increased into 2022.

The COVID-19 pandemic has had a significant, immediate impact on the operations and operational funding of participators in global equity markets. At the date of approval of these financial statements it is not clear how long the current circumstances are likely to last and what the long-term impact will be. However, it is worth noting that the company's workflow had been largely virtual even before the pandemic and resulting lock-down. The Company has not observed any operational issues or adverse sales impact since the beginning of the pandemic.

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 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2021. Subsidiaries are accounted for using the acquisition method of accounting whereby the Group's results include the results of the acquired business from the date that control passes. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies in line with those used by other group members.

The Group has taken advantage of the exemption in s408 CA 2006 and elected not to disclose the individual statement of comprehensive income.

**1.5 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.

**1.6 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

**1.7 Leasing**

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

**1.8 Investments**

Fixed asset investments are stated at cost less impairment in value.

**1.9 Investments in fund entities**

Investments in fund entities are accounted for at cost less impairment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified.

The results of fund entities are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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At the reporting date AK Jensen Limited ("AKJL") has no established mutual funds.

**1.10 Prime brokerage service**

AK Jensen Limited provides a prime brokerage service on a back-to-back basis with Barclays Bank Plc, DNB Bank ASA, Maybank Kim Eng Securities Pte Ltd, 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 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.

**1.11 Foreign currency translation**

The Group's accounting records are maintained in United States Dollars (US\$). The exchange rate at the year end was £1:\$1.3532.

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.

**1.12 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.

**1.13 Pension**

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

**1.14 Related party transactions**

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

**1.15 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:



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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*Recoverability of trade receivables:*

The Group 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 group'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 2021

#### 2. Turnover

Turnover arose from the following activities:

	2021 US\$	2020 US\$
Execution income (DMA)	2,898,549	3,198,128
Prime broker related income	6,066,617	4,502,684
Platform income	285,774	196,417
Other income	276,077	349,289
	<u>9,527,017</u>	<u>8,246,518</u>

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

United Kingdom	175,949	441,920
Europe	3,605,679	4,656,590
Americas	5,124,561	2,794,005
Asia	620,822	353,880
Africa	6	123
	<u>9,527,017</u>	<u>8,246,518</u>

#### 3. Operating profit

	2021 US\$	2020 US\$
Operating profit stated after charging:		
Depreciation of tangible assets	31,836	33,434
Audit of the company	20,115	17,971
Tax compliance services	8,714	15,988
(Profit)/loss on foreign currency	(52,407)	(59,813)
Property operating leases	290,304	310,793
	<u>298,542</u>	<u>317,373</u>

#### 4. Interest payable

	2021 US\$	2020 US\$
On bank loans	-	19
On loans from group/ecosystem undertakings	172,097	48,671
	<u>172,097</u>	<u>48,690</u>



AK JENSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Taxation

	2021 US\$	2020 US\$
<b>Domestic current period tax</b>		
Current tax charge	-	-
Total tax charge	-	-

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

Profit on ordinary activities before taxation	<u>596,238</u>	<u>1,003,202</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2020: 19%)	<u>113,285</u>	<u>190,608</u>
Effects of:		
Non deductible expenses	1,582	57
Due changes in the rates of tax	-	(56,933)
Deferred tax not recognised	(114,867)	(133,733)
<b>Current tax charge</b>	<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\$312,658 (2020: US\$349,020). The asset would be recovered if the Company made taxable profits in future years.

6. Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements.

	2021 US\$	2020 US\$
Parent company profit	<u>596,238</u>	<u>1,003,202</u>



AK JENSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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7. Tangible fixed assets

Group and Company 2021	Plant and Machinery	Fixtures, fittings & equipment	Permanent fixtures, leased office	Total
	US\$	US\$	US\$	US\$
<b>Cost</b>				
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
<b>Depreciation</b>				
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
<b>Net book value</b>				
At 31 December 2020	10,566	25,180	12,174	47,920
At 31 December 2021	8,630	3,159	3,389	15,178
<b>Group and Company 2020</b>				
	US\$	US\$	US\$	US\$
<b>Cost</b>				
At 1 January 2020	163,714	37,917	41,044	242,675
Additions	16,154	-	-	16,154
Disposals	(11,794)	(1,890)	-	(13,684)
Foreign exchange movements	2,493	2,234	386	5,113
At 31 December 2020	170,567	38,261	41,430	250,258
<b>Depreciation</b>				
At 1 January 2020	153,661	4,812	20,954	179,427
Charge for the year	16,995	8,137	8,302	33,434
Disposals	(11,956)	(1,970)	-	(13,926)
Foreign exchange movements	1,301	2,102	-	3,403
At 31 December 2020	160,001	13,081	29,256	202,338
<b>Net book value</b>				
At 31 December 2019	10,053	33,105	20,090	63,248
At 31 December 2020	10,566	25,180	12,174	47,920



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Fixed assets investments – Company**

	<b>2021 US\$</b>	<b>2020 US\$</b>
<b>Cost</b>		
At 1 January 2021 and 31 December 2021	-	-
<b>Impairment</b>		
At the beginning and end of the year	-	-
Net book value at the beginning and end of the year	-	-

The Company held more than 20% of the share capital of the following companies:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Shares Held Class</b>	<b>%</b>
Law 2446 Limited	England and Wales	Ordinary	100

The principal activity of these undertakings was as follows:

	<b>Principal activity</b>
Law 2446 Limited	Dormant

Law 2446 Limited was dissolved on 4 February 2020.

**9. 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 Maybank Kim Eng Securities Pte Ltd and Nomura International plc acting as the Group's prime brokers. Balances received from 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.

**10. Debtors**

**a) Non-current**

	<b>Group 2021 US\$</b>	<b>Group 2020 US\$</b>
Other debtors	54,019	59,019
Loan receivable	28,112,343	42,990,341
	<u>28,166,362</u>	<u>43,049,360</u>



## AK JENSEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Company 2021 US\$	Company 2020 US\$
Other debtors	54,019	59,019
Loan receivable	28,112,343	42,990,341
	<u>28,166,362</u>	<u>43,049,360</u>

#### Note 10 a)

Included in loan receivables of \$28.1m (2020: \$43.0m) are net amounts due from Platinum Partners Value Arbitrage Fund LP (the Platinum Fund) of \$26.5m (2020: \$23.2m). 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 realise collateral assets and charge compound interest at a penalty rate. The full amount of AKJ's claim against the Platinum Fund is not recognised in the financial statements. At the reporting date the net amount receivable of \$26.5m (2020: \$23.2m) represented approximately 37% (2020: 43%) of AKJ's total claim against the assets of the Platinum Fund of \$72.2m (2020: \$54.2m).

The joint official liquidators (JOL's) issued their latest report on the progress of the liquidation on 16 March 2021. In March 2021 the JOL's confirmed their assessment that that the Platinum Fund was insolvent, and that, given the realisations to date, the limited number of assets left to realise and the encumbrances on those assets, the successful prosecution of litigation claims (such litigation claims currently being funded by an external funding provider) would be necessary in order for there to be any level of distribution to unsecured creditors. The JOL's have as yet made no formal assessment of their expectation of the eventual outcome of ongoing litigation or published any estimate of possible quantum of distributions to creditors.

The Directors have assessed the latest available report of the joint official liquidators issued on 16 March 2021. Additionally, in a separate action, AKJ has begun its own litigation relating to the Indonesian authorities' block on its sale of client collateral assets relating to the Platinum Fund. The Directors have noted that Goldman Sachs was recently successful in a very similar case.

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.



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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<b>b) Current</b>	<b>Group</b>	<b>Group</b>
	<b>2021 US\$</b>	<b>2020 US\$</b>
Trade debtors	1,454,505	1,638,026
Amounts owed by group undertakings	8,055,420	10,256,377
Prepayments	307,433	134,463
Other debtors	11,167,358	7,387,407
	<u>20,984,716</u>	<u>19,416,273</u>

	<b>Company</b>	<b>Company</b>
	<b>2021 US\$</b>	<b>2020 US\$</b>
Trade debtors	1,454,505	1,638,026
Amounts owed by group undertakings	8,055,420	10,256,377
Prepayments	307,433	134,463
Other debtors	11,167,358	7,387,407
	<u>20,984,716</u>	<u>19,416,273</u>

**11. Creditors**

**a) Non-current**

	<b>Group</b>	<b>Group</b>
	<b>2021 US\$</b>	<b>2020 US\$</b>
Loan payable	28,112,343	42,990,341
	<u>28,112,343</u>	<u>42,990,341</u>

	<b>Company</b>	<b>Company</b>
	<b>2021 US\$</b>	<b>2020 US\$</b>
Loan payable	28,112,343	42,990,341
	<u>28,112,343</u>	<u>42,990,341</u>

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



AK JENSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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b) Current

	Group 2021 US\$	Group 2020 US\$
Trade creditors	4,486,490	5,107,790
Amounts owed to group undertakings	784,504	366,481
Taxes and social security costs	680,286	487,666
Accrued costs and deferred revenues	915,044	558,515
Other creditors	7,861,568	5,900,838
	<u>14,727,892</u>	<u>12,421,290</u>

	Company 2021 US\$	Company 2020 US\$
Trade creditors	4,486,490	5,107,790
Amounts owed to group undertakings	765,642	347,619
Taxes and social security costs	680,286	487,666
Accrued costs and deferred revenues	915,044	558,515
Other creditors	7,861,568	5,900,838
	<u>14,709,030</u>	<u>12,402,428</u>

12. Share capital – Group and Company

	2021 US\$	2020 US\$
<b>Allotted, called up and fully paid</b>		
5,819,344 (2020: 5,819,344) Ordinary shares of £0.0001 each	972	972

	Shares	Share Capital US\$	Share Premium US\$
At 1 January 2021	5,819,344	972	11,384,762
At 31 December 2021	5,819,344	972	11,384,762



AK JENSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Key management personnel compensation

	2021 US\$	2020 US\$
Key management personnel remuneration	388,172	312,728

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

	2021 US\$	20120 US\$
Directors' remuneration	199,050	176,424

14. Staff costs

Number of employees

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

	2021 No.	2020 No.
Management	3	3
Administration	37	38
	<u>40</u>	<u>41</u>

	US\$	US\$
Employment costs		
Wages and salaries	2,436,126	2,335,969
Social security costs	278,386	246,017
	<u>2,714,512</u>	<u>2,581,986</u>

15. Pension costs

	2021 US\$	2020 US\$
Contributions payable by the Company for the year	<u>28,356</u>	<u>27,601</u>



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to US\$28,356 (2020: US\$27,601). Contributions totalling US\$nil (2020: US\$nil) were payable to the fund at the reporting date and are not included in creditors.

**16. a) Financial Instruments - Group**

	<b>2021 US\$</b>	<b>2020 US\$</b>
Financial asset that are debt instruments measured at cost:		
Trade debtors	1,454,505	1,638,026
Financial assets measured at amortised cost:		
Other debtors	8,109,439	10,315,396
Loan receivable	28,112,343	42,990,341
Cash at bank	1,933,773	561,634
	<u>39,610,060</u>	<u>55,505,397</u>
Financial liabilities measured at amortised cost:		
Loan payable	28,112,343	42,990,341
Trade creditors	4,486,490	5,107,790
Other creditors	9,561,119	6,825,838
	<u>42,159,952</u>	<u>54,923,969</u>

**16. b) Financial commitments**

At 31 December 2021, the Group was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2026:

	<b>2021 US\$</b>	<b>2020 US\$</b>
Operating leases which expire:		
Within one year	287,446	305,883
Between two and five years	227,563	856,821
After more than five years	486,802	138,168
	<u>1,001,811</u>	<u>1,300,872</u>



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. 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 2021

#### Pillar 3 Disclosure

##### Purpose

The EU Capital Requirements Directive 2013/36/EU (the "Directive") is implemented in the U.K. by the Financial Conduct Authority ("FCA") through the General Prudential sourcebook ("GENPRU") and Prudential sourcebook for Investment Firms ("IFPRU"). The Directive is the common framework for implementing Basel III in the European Union. The framework consists of three pillars:

Pillar 1 sets minimum capital requirements to meet the firm's credit, market and operational risk using standard criteria.

Pillar 2 is the Internal Capital Adequacy Assessment Process ('ICAAP') whereby the firm's senior management assesses whether additional capital above Pillar 1 capital requirement is required to cover the potential risks identified by the firm.

Pillar 3 requires disclosure of specified information about a firm's risk and capital management, including capital adequacy.

The purpose of Pillar 3 is to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on a firm's capital, risk exposures.

The rules in BIPRU 11 set out the rules for Pillar 3 are used as good industry practice awaiting implementation of Basel III expectations. The rules provide that we omit one or more of the required disclosures if we believe the information is immaterial. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information.

##### Background

AK Jensen Limited "AKJ" is a IFPRU € 125k / limited licence firm as well as a Small Authorised UK AIFM (Alternative Investment Fund Managers) that has permission to arrange deals in investments, deal in investments as principal (limited to matched principal broker), make arrangements, advise on investments, arrange safekeeping and administration of assets, and manage investments for Retail customers, Professional customers and Eligible counterparties on a wide range of financial instruments. AKJ also has the authorisation to hold and control client money.

AKJ is engaged in providing direct market access to global equity markets for its clients based primarily in Europe. The direct market access (DVP/RVP) business is structured so that its end clients settle either directly with our brokers or via a back to back settlement structure that AKJ has in place with ABN Amro. Value is added via our order routing configuration (AKJ ExNet), middle office solutions (OpTracker), high customer service levels and expertise in connectivity. Revenues are generated via commission for execution of trades on a pure agency basis.

Additionally, the company has added mini prime brokerage services on a back to back basis, allowing AKJ to offer financing, stock lending and clearing/settlement services. We have enhanced our product with Morgan Stanley as a custodian of safe custody client assets as well as prime brokerage from December 2021. It is expected that Morgan Stanley will be one of the key providers in our brokerage offering going forward, in addition to Maybank Kim Eng Securities Pte Ltd.

Through relationships with Marex and Baader, AKJ offers global trading in futures and options. AKJ added ABN Amro as a provider in 2015, which allows us to provide settlement and custody services.

On the back of the prime brokerage capabilities, AKJ entered the investment management business in September 2012 and launched a platform for start-up hedge fund managers to provide or arrange all the services necessary to form and operate a fund. AKJ serves the small scope funds on the platform. The sister company AK Jensen Investment Management Limited ("AKJIM") was incorporated on the 1st October 2014 as a UK limited company. It is an IPRU-INV Chapter 11 firm currently authorised by the



## AK JENSEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

UK Financial Conduct Authority (FCA) as a full scope UK AIFM managing <EUR 500 mill authorised to manage an unauthorised AIF (Alternative Investment Funds) and control, but not hold, client money. AKJIM serves the full scope funds on the platform. On 14 June 2021, a Norwegian branch of AKJIM was set up. The main purpose of the branch is to support the AKJIM HQ.

As a result of Brexit, the Group established a company, AK Jensen Norway AS ("AKJ NO"), in Norway in 2020 to complement AKJ and AKJIM, so that we can continue to operate smoothly with continued access to the EEA jurisdictions. AKJ NO will initially provide trading and portfolio management services.

No entities mentioned create a UK Consolidation Group.

#### Risk governance within AKJ

AKJ is committed to implementing a firm-wide governance and risk management framework appropriate to the size, nature and complexity of the business. The governing body for the risk framework within AKJ is the Compliance Officer, Risk Manager, CFO, Managing Director and Head of Accounting which have the ultimate responsibility for managing and controlling risk.

#### Risk management

AKJ's risk management framework along with policy and objectives are reviewed at least annually and presented to the Board. During the year all senior management have a direct reporting line to the Managing Director so that communication and early discussion of the risk framework and all risk areas is strongly encouraged and appropriate action taken.

#### Capital resources

As of 31 December, AKJ's Capital Resources were \$8,279k prior to audit confirmation. AKJ's Pillar 1 Capital Resources Requirement was calculated under the rules for an IFPRU €125k / limited license firm being the higher of €125k, Credit + Market risk capital requirements or the firm's Fixed Overhead Requirement (FOR).

The Credit and Market Risk were calculated as \$50,741k in line with CRR Article 92. The Credit Risk relates mainly to exposure financing obtained from Maybank/Nomura, who are 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. AKJ's clients provide collateral against the loans advanced to them.

The FOR was calculated as \$1,229k based upon the draft 2021-year end accounts. Since Credit + Market risk produces the highest figure, this is AKJ's Pillar 1 minimum capital requirement. As required by the FCA a comparison of Pillar 1 versus Pillar 2 identifies that the Pillar 1 Capital Requirements are greater than Pillar 2 calculated requirement, therefore capital adequacy analysis will be done on the basis of Pillar 1.

As of 31 December 2021, AKJ had a capital resource surplus of \$4,219k based upon the unaudited financials for 2021. We project that this should be sufficient capital to run the business for the foreseeable future.

#### AKJ's approach to assessment of capital adequacy

The firm maintains sufficient capital to meet UK regulatory requirements. In line with these requirements, the firm maintains the higher of Pillar 1 and Pillar 2 (ICAAP) capital requirements. The adequacy of the capital held by AKJ is assessed, at least annually, as part of the Individual Capital Adequacy Assessment Process (ICAAP) and is subject to formal sign off by the Board.



## AK JENSEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Pillar 1 capital calculation

Based upon its regulatory permissions and scope of activities, the firm is subject to the capital requirements for a limited licence firm. AKJ's pillar 1 capital is based on the Credit Risk plus Market Risk exposure being higher than AKJ's Fixed Overhead Requirement (FOR) or €125k.

#### Pillar 2 (ICAAP)

AKJ's ICAAP assesses the amount of capital required to mitigate the risks to which AKJ is exposed over a 36-month time horizon. The ICAAP consider the impacts of future business plans as well as potential adverse scenarios (such as market downturns or operational errors) on the capital resources of AKJ, to ensure regulatory capital requirements are met at all times.

The firm's exposure to risk categories as defined by the FCA and AKJ's strategies with respect to material risk categories is shown below:

#### Business and Operational Risk

Operational risk is defined by the FCA as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. We have identified relevant risks and related mitigation and controls as part of our ICAAP. We have policies and procedures and ongoing operational and related compliance monitoring to help us identify weakness and potential failures which are to be reported to the Managing Director and senior management.

#### Credit Risk

Credit risk is the risk that a party will default on a financial agreement. The firm is exposed to credit risk as follows:

- Commissions due from regulated brokers
- Commissions due from clients
- UK authorised banks in relations to deposits held with them

The risks are mitigated by:

- Performing checks of creditworthiness and financials at the outset of entering into material contracts
- Monitoring payments against agreed payments arrangements
- Periodic monitoring of the financial strength of the credit institution with whom the firm banks

#### Liquidity risk

Liquidity risk is defined as the risk that the firm, although solvent, either does not have sufficient available resources to enable it to meet its obligations as they fall due or can secure them only at excessive cost.

AKJ maintains a surplus of liquid resources sufficient at all times to meet any immediate requirements it could prudently foresee. Liquidity is available in the form of cash which is invested in short-term bank deposits to ensure that it is available as required. AKJ has the potential, if necessary, to go to its parent company for additional funding.



**AK JENSEN LIMITED**

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**Remuneration Code**

**1. Introduction**

- 1.1 The main objective of the AKJ Group is to be recognized as the global go-to turnkey, tier one hedge fund platform. It is generally recognized that the main reasons fund platforms fail is loss of control over costs and expenses, and not having flexibility/services to retain successful clients. The main strategic aims when building the AKJ Hedge Fund Platform were to: (i) minimize costs and hassle for each fund, while maintaining quality; and (b) ensure that each fund has the inbuilt flexibility to allow it to grow and become attractive to sophisticated and institutional investors once a decent track record is achieved.
- 1.2 AKJL's approach has been to keep fixed costs low and utilise variable components where possible to be able to survive another financial crisis such as happened in 2008. In particular, AKJL wishes to ensure it can retain staff if such another financial crisis were to occur again. AKJL's Remuneration Policy will comply with this strategy as much as possible, whilst tweaking the approach to ensure that it is in line with the Remuneration Code.
- 1.3 In addition, AKJL's Remuneration Policy must recognize:
- (a) All staff have a role to play in risk management. Risk management must penetrate everything we do. In particular, staff must have regard to the quality of people/business they introduce to AKJL.
  - (b) AKJL'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 behaviour. AKJL recognizes this conflict and, through monitoring, must remain alert to any potential abuse.

**2. Summary**

- 2.1 AKJL policy on remuneration is to comply with the Remuneration Code in FCA SYSC 19A subject to such disapplication as the Board considers appropriate in the light of FG 17/6 General Guidance on Proportionality which is to be interpreted as an annex to SYSC 19A.
- 2.2 Under the General Guidance on Proportionality, AKJL has assets of less than £15bn so is classified at lowest level and, subject to considering matters such as size and complexity, AKJL is allowed to disapply various more onerous provisions of the Remuneration Code. In addition, AKJL does not deal on own account nor underwrite financial instruments and AKJL's ICAAP shows them as a limited license firm. Thus, subject to being able if asked to explain to the FCA the rationale for how AKJL applies the remuneration principles proportionality rule, AKJL may disapply the ratios between fixed and variable components of variable remuneration.
- 2.3 AKJL must identify and keep a record of staff caught by the Remuneration Code. The record is kept by AKJL's Head of Accounting and is reviewed and updated periodically by the Board of AKJL.
- 2.4 AKJL does not currently need to establish a remuneration committee as AKJL does not yet exceed the "significant" threshold.
- 2.5 AKJL must not pay "guaranteed" variable remuneration. As yet it is difficult to interpret "guaranteed" but it is thought it must link into some form of conditionality such as no advertent OS breach and adherence to company Personal Trading Policy.



**AK JENSEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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- 2.6 If there are any existing contracts that do not comply with FCA requirements then AKJL is required to take reasonable steps to amend or terminate such provisions in a way that enables it to comply with the FCA requirements at the earliest opportunity.
- 2.7 AKJL needs to review all termination payment terms to ensure they are designed in a way that does not reward failure.
- 3. Timing**
- AKJL had to apply most of the Remuneration Code since 1 January 2011 and the remainder from 1 January 2014. If AKJL is unable to comply because of earlier commitments to staff, then AKJL must take reasonable steps to amend or terminate the commitments in a way that enables it to comply with the Remuneration Code at the earliest opportunity.
- 4. Proportionality rule**
- 4.1 When establishing and applying the remuneration policies for Remuneration Code staff, AKJL must comply in a way and to the extent that is appropriate to its size, internal organisation and the nature, the scope and the complexity of its activities (the remuneration principles proportionality rule).
- 4.2 SYSC 19A itself contains general guidance that certain rules need not apply to an individual where variable remuneration is no more than 33% of total and total is no more than £500k. However, this is in practice irrelevant to AKJL if AKJL chooses to act on the guidance in FG 17/6 General Guidance on Proportionality which in particular classifies firms into 3 levels.
- 4.3 Level one is for firms with total assets exceeding £50bn, level two £15bn and level three less than £15bn, so AKJL is in level three. There are no other companies in the AKJ Group which if the IFPRU Code applied to them would be at a higher level, so level 3 applies.
- 4.4 AKJL needs to consider the application of the remuneration principles proportionality rule to its individual circumstances. It is the responsibility of AKJL to assess its own characteristics and to develop and implement remuneration policies and practices that appropriately align the risks faced and provide adequate and effective incentives to its Remuneration Code staff. AKJL must be able to explain to the FCA the rationale for how they apply the remuneration principles proportionality rule, particularly where they have concluded that it is appropriate for certain rules to be disapplied.
- 4.5 Matters that appear relevant in assessing the proportionality rule include:
- (a) **Size.** AKJL is a small authorized UK AIFM as well as being a broker. AKJL's ICAAP shows them as a limited licence firm. At 31 December 2021 AKJL had \$47m of assets under management.
  - (b) **Staff size.** AKJ Group have 50 staff plus about 26 consultants engaged to assist with portfolio management. Of these 7 consultants work in AKJL in portfolio management roles and the equivalent of 40 full time staff work in AKJL.
  - (c) **Internal organisation.** AKJL nor its parent company is listed or traded on a regulated market.
  - (d) **Ownership.** About 70% of the shares in AK Jensen Group Limited (the holding company of AKJL) are held by employees, service providers and one outside investor who is actively involved in fund management businesses and has appointed a representative to the AKJ Group Limited board.



**AK JENSEN LIMITED**

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- (e) Nature, scope and complexity of activities. AKJL have only 6 AIFs and 6 investment strategies. Each AIF issues an offering document with Investment Objectives, Strategies and Policies and then each AIF is managed within the restrictions set out in the offering document. These arrangements are non-complex.
- 4.6 Policy note: Applying the proportionality rule AKJL believes because it is so comparatively small and non-complex:
- (a) It is not yet necessary for AKJL to have a separate remuneration committee and the Board of AKJL will continue to act as the remuneration committee of AKJL (SYSC 19A.3.12B);
- (b) It is appropriate to disapply the following principles in SYSC 19 A:
- retained shares or other instruments (SYSC 19A.3.47R)
  - deferral (SYSC 19A.3.49R)
  - performance adjustment (SYSC 19A.3.51R – SYSC 19A.3.51AR)
  - the ratio between fixed and variable components of total remuneration (SYSC 19A.3.44R (1), (2) and (3)). Note that in disapplying this last provision AKJL is a limited licence firm.
- 4.7 If AKJL was significant in terms of its size, internal organisation and the nature, the scope and the complexity of its activities it would have to establish a remuneration committee (SYSC 19A.3.12).
- 4.8 Policy note: At this stage AKJL is not “significant” and therefore it is not required to have a separate remuneration committee.
- 5. AJKL Remuneration Code staff**
- 5.1 AKJL Remuneration Code staff comprise those categories of staff whose professional activities have a material impact on AKJL’s risk profile.
- 5.2 Policy note: An up-to-date list of AKJL Remuneration Code Staff is maintained by AKJL’s Head of Accounting. This list must be reviewed periodically by the Board of AKJL.
- 5.3 AKJL must take reasonable steps to ensure that its Remuneration Code staff understand the implications of their status as such, including the potential for remuneration which does not comply with certain requirements of the Remuneration Code to be rendered void and recoverable by AKJL.
- 6. Rules to be followed by AKJL**
- 6.1 As indicated the policy is to comply with the AIFM Remuneration Code in SYSC 19(A) subject to disapplication in accordance with proportionality rules of:
- 50% of variable remuneration to be in shares with retention policy (SYSC 19A.3.47R)
  - 40% of variable remuneration to be deferred for 3 to 5 years (SYSC 19A.3.49R)
  - performance adjustment (SYSC 19A.3.51R – SYSC 19A.3.51AR)
  - the ratio between fixed and variable components of total remuneration (SYSC 19A.3.44R). Note that in disapplying this last provision AKJL is a limited licence firm.



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- 6.2 AKJL must ensure that its remuneration policies, practices and procedures are clear and documented. Such policies, practices and procedures include performance appraisal processes and decisions.

**7. Remuneration principles**

AKJL must comply with various principles.

***Principle 1: Risk management and risk tolerance***

- (a) AKJL must ensure that its Remuneration Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of AKJL;

***Principle 2: Supporting business strategy, objectives, values and long term interests of AKJL***

- (b) AKJL must ensure that its Remuneration Policy is in line with the business strategy, objectives, values and long-term interests of AKJL;

***Principle 3: Avoiding conflicts of interest***

- (c) AKJL must ensure that its Remuneration Policy includes measures to avoid conflicts of interest;

***Principle 4: Governance***

- (d) AKJL must ensure that its management body in its supervisory function adopts and periodically reviews the general principles of the Remuneration Policy and is responsible for overseeing its implementation;
- (e) AKJL must ensure that the implementation of the Remuneration Policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the management body in its supervisory function;
- (f) AKJL must explain on its website how it complies with the Remuneration Code;
- (g) AKJL must be able to demonstrate that its decisions are consistent with an assessment of its financial condition and future prospects. In particular, practices by which remuneration is paid for potential future revenues whose timing and likelihood remain uncertain should be evaluated carefully and the governing body or remuneration committee (or both) should work closely with AKJL's risk function in evaluating the incentives created by its remuneration system;
- (h) AKJL must ensure the Board is aware of its responsibilities for ensuring that AKJL's Remuneration Policy complies with the Remuneration Code;

***Principle 6: Remuneration and capital***

- (i) AKJL must ensure that total variable remuneration does not limit AKJL's ability to strengthen its capital base;



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***Principle 8: Profit based measurement and risk adjustment***

- (j) AKJL must ensure that any measurement of performance used to calculate variable remuneration components or pools of variable remuneration components:
  - (i) includes adjustments for all types of current and future risks and takes into account the cost and quantity of the capital and the liquidity required; and
  - (ii) takes into account the need for consistency with the timing and likelihood of AKJL receiving potential future revenues incorporated into current earnings.
- (k) AKJL must ensure that the allocation of variable remuneration components within AKJL also takes into account all types of current and future risks;
- (l) This Remuneration Principle 8 stresses the importance of risk adjustment in measuring performance, and the importance within that process of applying judgement and common sense. The FCA expects a firm to apply qualitative judgements and common sense in the final decision about the performance-related components of variable remuneration pools;
- (m) Assessments of financial performance used to calculate variable remuneration must be based principally on profits;
- (n) AKJL must ensure that its total variable remuneration is generally considerably contracted where subdued or negative financial performance of AKJL occurs, taking into account both current remuneration and reductions in pay-outs of amounts previously earned, including through malus (i.e. a financial penalty incurred when an investment or deal results in a loss) or clawback arrangements;

***Principle 12: Remuneration structures***

- (o) AKJL must ensure that the structure of an employee's remuneration is consistent with and promotes effective risk management;
- (p) AKJL must ensure that where remuneration is performance-related:(1) the total amount of remuneration is based on a combination of the assessment of the performance of:(a) the individual; (b) the business unit concerned; and (c) the overall results of AKJL; and (2) when assessing individual performance, financial as well as non-financial criteria are taken into account;
- (q) The non-financial criteria should include: (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;
- (r) 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;
- (s) AKJL must ensure that guaranteed variable remuneration is not part of prospective remuneration plans;
- (t) AKJL must ensure that payments relating to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure or misconduct.



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**Aggregate quantitative information on Remuneration 2021**

The following is an analysis of the remuneration:

Total remuneration of identified group	
<b>Fixed remuneration</b>	\$ 1,065,523
Variable remuneration	\$ 6,617,376
<b>Non-contributory defined contribution pension</b>	\$ 19,563
Benefits in kind	\$ 19,377
Total number of beneficiaries	21