

SMITH & WILLIAMSON I M LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2020**

WEDNESDAY



AACM00F6

A12

08/09/2021

#45

COMPANIES HOUSE

SMITH & WILLIAMSON I M LIMITED

COMPANY INFORMATION

Directors	A Baddeley (appointed 22 October 2020) N Mitford-Slade (appointed 22 October 2020) C Woodhouse (appointed 22 October 2020)
Company secretary	D Saunders
Registered number	07837708
Registered office	25 Moorgate London EC2R 6AY
Independent auditors	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

SMITH & WILLIAMSON I M LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 20

SMITH & WILLIAMSON I M LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

Introduction

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Business review

Smith & Williamson I M Limited (the "company") is a wholly owned subsidiary of Smith & Williamson Holdings Limited, which is a subsidiary of Tilney Smith & Williamson Limited, the parent company for which consolidated accounts are prepared (the "group").

The principal activity of the company is to operate as an intermediate holding company and a corporate designated member of Smith & Williamson Investment Management LLP, from which it receives a profit share.

The company has changed its reporting period from 30 April to 31 December following the acquisition of its parent company by Tilney Smith & Williamson Limited, which has a 31 December year end, in September 2020. The company had previously prepared financial statements for the financial year from 1 May 2019 to 30 April 2020.

The results in the financial statements therefore cover the eight months from 1 May 2020 to 31 December 2020.

Profit before tax for the period was £36,223,000 (year ended 30 April 2020: £43,037,000). The profit before tax reflects the profit share received from Smith & Williamson Investment Management LLP.

Taxation for the period was a tax charge of £864,000 (year ended 30 April 2020: £9,248,000). A full reconciliation is set out in note 8.

At 31 December 2020, the company had net assets of £34,735,000 (30 April 2020: £33,376,000).

Principal risks and uncertainties

The Tilney Smith & Williamson Limited group has made significant investment in its risk management and compliance capabilities to help embed the risk management framework. This framework is underpinned by policies, procedures and reporting, all of which will continue to evolve with the needs of the group, as it seeks to deliver its strategic objectives.

The main areas of financial risk for the company is credit risk, being the risk that a counterparty will be unable to pay the amounts in full when they fall due.

Credit risk

The primary source of credit risk arises from placing funds with banks. It is the company's policy to place funds with a range of high quality financial institutions approved by the board.

Financial key performance indicators

Key performance indicators are discussed in the business review section of this report. Further information on key performance indicators can be found in the Tilney Smith & Williamson Limited group's Annual Report and Financial Statements, which does not form part of this report.

Corporate responsibility and environmental policy

The corporate responsibility and environmental policy applicable to the company is as set out in the Tilney Smith & Williamson Limited group's Annual Report and Financial Statements.

SMITH & WILLIAMSON I M LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Section 172 statement

The directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so had regard to the interests of a wider set of stakeholders. How stakeholder interests are considered by the board through its decision making and engagement with them are detailed in the Tilney Smith & Williamson Limited group's Annual Report and Financial Statements, which does not form part of this report.

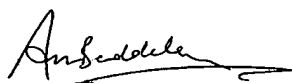
Going concern

The company is reliant upon the support from its parent undertaking Tilney Smith & Williamson Limited and its subsidiary undertakings ('the group') as it meets its day-to-day working capital requirements and regulatory capital requirements through loans provided to it by group members. The group members have confirmed that they will continue to fund the company by inter-company loans to enable the company to meet its liabilities as they fall due. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is in a position to provide this support for a period of at least 12 months from the date of signing of these financial statements.

Despite the global economic impact of the COVID-19 induced lockdown, the company has access to adequate financial resources and therefore, the directors believe that the company is well placed to manage its financial risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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



A Baddeley
Director

Date: 9 July 2021

SMITH & WILLIAMSON I M LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the period ended 31 December 2020.

Directors

The directors who served during the period, except where noted, were:

A Baddeley (appointed 22 October 2020)
D Cobb (resigned 25 May 2021)
G Hotson (resigned 22 October 2020)
N Mitford-Slade (appointed 22 October 2020)
K Stopps (resigned 11 November 2020)
C Woodhouse (appointed 22 October 2020)

Results and dividends

The profit for the period, after taxation, amounted to £35,359,000 (year ended 30 April 2020: £33,789,000).

Dividends of £34,000,000 were paid during the period (year ended 30 April 2020: £21,000,000). The directors do not recommend the payment of a final dividend (year ended 30 April 2020: £nil).

Indemnity

The directors have been covered by third party liability insurance throughout the year and the policy of insurance remains in force.

Principal risks and uncertainties

Information on the company's management of financial risks is disclosed in the strategic report page 1.

Post balance sheet events

Details of post balance sheet events are set out in note 16 to the financial statements.

Future outlook

The directors have reviewed the business and consider the performance of the company to be in line with expectations for the period which incorporates the impact of COVID-19. Brexit is not likely to impact the performance of the business. The directors consider that the company's position at the end of the period is consistent with the size and complexity of the business. Despite uncertainties regarding the impact of COVID-19, the directors are cautiously optimistic that the current levels of performance will be maintained in the medium-term.

SMITH & WILLIAMSON I M LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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



D Saunders
Secretary

Date: 9 July 2021

25 Moorgate
London
EC2R 6AY

SMITH & WILLIAMSON I M LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITH & WILLIAMSON I M LIMITED

Opinion

We have audited the financial statements of Smith & Williamson I M Limited (the 'Company') for the 8-month period ended 31 December 2020 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity and the 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 FRS 101 "Reduced Disclosure Framework" (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 2020 and of its profit for the 8-month period 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SMITH & WILLIAMSON I M LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITH & WILLIAMSON I M LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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 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. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the breaches of financial crime laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

SMITH & WILLIAMSON I M LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITH & WILLIAMSON I M LIMITED
(CONTINUED)

We evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

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

Andrew Heffron

Andrew Heffron (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

13 August 2021

SMITH & WILLIAMSON I M LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Note	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Administrative expenses		(2)	(6)
Operating loss	4	<u>(2)</u>	<u>(6)</u>
Income from investments	7	36,225	43,043
Profit before tax		<u>36,223</u>	<u>43,037</u>
Taxation	8	(864)	(9,248)
Profit for the period/year		<u><u>35,359</u></u>	<u><u>33,789</u></u>
 Total comprehensive income for the period/year		 <u><u>35,359</u></u>	 <u><u>33,789</u></u>

There were no recognised gains and losses for 31 December 2020 or 30 April 2020 other than those included in the statement of comprehensive income.

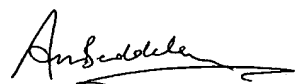
The notes on pages 11 to 20 form part of these financial statements.

SMITH & WILLIAMSON I M LIMITED
REGISTERED NUMBER:07837708

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £000	30 April 2020 £000
Fixed assets			
Investments	9	34,138	33,888
Deferred taxation	13	1,842	525
		<u>35,980</u>	<u>34,413</u>
Current assets			
Debtors: amounts falling due within one year	10	1,419	842
Cash and cash equivalents	11	94	44
		<u>1,513</u>	<u>886</u>
Creditors: amounts falling due within one year	12	(2,758)	(1,923)
Net current liabilities		<u>(1,245)</u>	<u>(1,037)</u>
Total assets less current liabilities		<u>34,735</u>	<u>33,376</u>
Net assets		<u>34,735</u>	<u>33,376</u>
Capital and reserves			
Capital redemption reserve		24,976	24,976
Profit and loss account		9,759	8,400
Total equity		<u>34,735</u>	<u>33,376</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 July 2021.



A Baddeley
Director

The notes on pages 11 to 20 form part of these financial statements.

SMITH & WILLIAMSON I M LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 May 2019	24,976	(4,389)	20,587
Comprehensive income for the year			
Profit for the year	-	33,789	33,789
Total comprehensive income for the year	-	33,789	33,789
Dividends paid	-	(21,000)	(21,000)
At 30 April 2020	24,976	8,400	33,376
Comprehensive income for the period			
Profit for the period	-	35,359	35,359
Total comprehensive income for the period	-	35,359	35,359
Dividends paid	-	(34,000)	(34,000)
At 31 December 2020	24,976	9,759	34,735

The notes on pages 11 to 20 form part of these financial statements.

SMITH & WILLIAMSON I M LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

1. General information

Smith & Williamson I M Limited is a company incorporated and domiciled in the United Kingdom. The registered number is 07837708 and the registered office address is 25 Moorgate, London, EC2R 6AY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The company's top UK parent undertaking, Symmetry Topco Limited includes the company in its consolidated financial statements and therefore the company is exempt from the requirement to produce consolidated financial statements. The consolidated financial statements of Symmetry Topco Limited are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

These financial statements are presented in pounds sterling because this is the currency of the primary economic environment in which the company operates.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

This is the first period that the company has presented its financial statements under FRS 101 issued by the Financial Reporting Council. The last financial statements were prepared in accordance with IFRSs as adopted by the EU and interpretations issued by the IFRS Interpretation Committee as at 30 April 2020. There is no difference between assets, liabilities, equity and net profits reported under previous standards and equity reported under FRS 101 as at 30 April 2020.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers

SMITH & WILLIAMSON I M LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions (continued)

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Going concern

The company is reliant upon the support from its parent undertaking Tilney Smith & Williamson Limited and its subsidiary undertakings ('the group') as it meets its day-to-day working capital requirements and regulatory capital requirements through loans provided to it by group members. The group members have confirmed that they will continue to fund the company by inter-company loans to enable the company to meet its liabilities as they fall due. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is in a position to provide this support for a period of at least 12 months from the date of signing of these financial statements.

Despite the global economic impact of the COVID-19 induced lockdown, the company has access to adequate financial resources and therefore, the directors believe that the company is well placed to manage its financial risks successfully.

In forming this view, the directors have considered the company's prospects for a period of at least 12 months. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

SMITH & WILLIAMSON I M LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Income arising from the investment in subsidiary companies is recognised when profits are allocated.

2.7 Debtors

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

2.8 Cash and cash equivalents

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

SMITH & WILLIAMSON I M LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Creditors

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

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

SMITH & WILLIAMSON I M LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Dividends

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

3. Critical accounting Judgements and key sources of estimation uncertainty

The company makes estimates and assumptions that could affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no accounting judgements and key sources of estimation uncertainty which are determined to be significant to the financial statements in the current or prior year.

4. Operating loss

The operating loss is stated after charging:

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Auditors' remuneration	2	2

5. Auditors' remuneration

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	2	2

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

SMITH & WILLIAMSON I M LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

6. Directors' remuneration

During the period ended 31 December 2020, the directors received total remuneration of £1,227,000 (year ended 30 April 2020: £3,101,000) which relates to salaries and other emoluments. There were no pension scheme contributions in the current and prior periods. The highest paid director received total emoluments of £311,000 (year ended 30 April 2020: £1,218,000).

Certain directors are also directors of other group companies. It is not practicable to allocate their total remuneration between their services as executives to this company or other group companies, and no such allocation has been attempted.

7. Income from investments

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Allocation of profits from related parties		
Smith & Williamson Investment Management LLP	36,225	43,043
	<u>36,225</u>	<u>43,043</u>

8. Taxation

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Corporation tax		
Current tax on profits for the period/year	2,382	3,458
Adjustments in respect of previous periods	(201)	-
Total current tax	<u>2,181</u>	<u>3,458</u>
Deferred tax		
Deferred tax	(1,317)	5,790
Total deferred tax	<u>(1,317)</u>	<u>5,790</u>
Taxation on profit on ordinary activities	<u>864</u>	<u>9,248</u>

SMITH & WILLIAMSON I M LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

8. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (year ended 30 April 2020: higher than) the standard rate of corporation tax in the UK of 19% (year ended 30 April 2020: 19%). The differences are explained below:

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Profit on ordinary activities before tax	36,223	43,037
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (year ended 30 April 2020 : 19%)	6,882	8,177
Effects of:		
Tax on unallocated profit from group partnerships	(5,817)	1,071
Adjustments to tax charge in respect of prior periods	(201)	-
Total tax charge for the period/year	864	9,248

9. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2020	33,888
Additions	250
At 31 December 2020	34,138

During the year, the company purchased £250,000 of B capital from individual members of Smith & Williamson Investment Management LLP.

SMITH & WILLIAMSON I M LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

9. Investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Smith & Williamson Investment Management LLP	25 Moorgate, London, EC2R 6AY	Share units	84%

The carrying value of the investments and the aggregate of the share capital and reserves as at 31 December 2020 and the profit for the period ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £000	Profit £000	Carrying value of investment £000
Smith & Williamson Investment Management LLP	56,113	8,290	34,138

10. Debtors: amounts falling due within one year

	31 December 2020 £000	30 April 2020 £000
Amounts owed by group undertakings	1,419	-
Tax recoverable	-	842
	1,419	842

11. Cash and cash equivalents

	31 December 2020 £000	30 April 2020 £000
Cash at bank	94	44
	94	44

SMITH & WILLIAMSON I M LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

12. Creditors: amounts falling due within one year

	31 December 2020 £000	30 April 2020 £000
Amounts owed to group undertakings	-	1,921
Corporation tax	2,756	-
Accruals and deferred income	2	2
	<u>2,758</u>	<u>1,923</u>

13. Deferred taxation

	31 December 2020 £000	30 April 2020 £000
At the beginning of the period/year	525	6,315
Charged to profit or loss	1,317	(5,790)
At the end of the period/year	<u>1,842</u>	<u>525</u>

The deferred tax balance is made up as follows:

	31 December 2020 £000	30 April 2020 £000
Allocation of profits from related parties	1,842	525
	<u>1,842</u>	<u>525</u>

SMITH & WILLIAMSON I M LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

14. Share capital

	31 December 2020 £	30 April 2020 £
Allotted, called up and fully paid		
1 (30 April 2020: 1) Ordinary share of £1 each	1	1

15. Related party transactions

The company has taken advantage of the exemption in FRS 101 "Reduced Disclosures Framework" from the requirement to disclose transactions with group companies on the grounds that it is 100% owned by Smith & Williamson Holdings Limited.

16. Post balance sheet events

On 3 March 2021, the Chancellor of the Exchequer announced in the Budget that the main rate of UK Corporation Tax for large companies (being those with profits in excess of £250,000) will rise from 19% to 25% with effect from 1 April 2023. The rate increase was subsequently substantively enacted on 24 May 2021 and is a non-adjusting even for these financial statements.

This increase in the UK Corporation Tax rate will have an impact on the rate at which deferred tax balances reversing on or after 1 April 2023 are recognised in the financial statements. The estimated impact of this rate increase will be a credit in the statement of comprehensive income reflecting an increase of approximately £582,000 in the company's deferred tax asset.

17. Controlling party

The company's immediate parent undertaking is Smith & Williamson Holdings Limited, a company incorporated in the United Kingdom.

The directors consider the ultimate parent company and ultimate controlling party to be Platinum L.P. Guernsey Limited, a company incorporated in Guernsey.

Symmetry Topco Guernsey Limited is the parent undertaking of the largest group for which consolidated financial statements are prepared.

Smith & Williamson Holdings Limited is the parent undertaking of the smallest group for which consolidated financial statements are produced. The registered address for Smith & Williamson Holdings Limited is 25 Moorgate, London, EC2R 6AY. Copies of the group annual report and accounts, which include the results of the company, are available from the Company Secretary, Smith & Williamson Holdings Limited, 25 Moorgate, London EC2R 6AY.