

Neal Ross Limited

Unaudited

Annual Report and Financial Statements

For the 4 months period ended 31 December 2021

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NEAL ROSS LIMITED

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NEAL ROSS LIMITED

Company Information

Directors	Mr P Cullen (appointed 19 October 2021) Mr D Pelster (appointed 19 October 2021) Ms J E Morrison (resigned 19 October 2021) Mr R S Morrison (resigned 19 October 2021)
Company secretary	Ms J E Morrison (resigned 19 October 2021)
Registered number	10055708
Registered office	First Floor Mitre House 44-46 Fleet Street London Greater London EC4Y 1BP

NEAL ROSS LIMITED

Directors' Report

For the 4 months period ended 31 December 2021

The directors present their report and the financial statements for the 4 months period ended 31 December 2021.

Neal Ross Limited (the "Company") has taken the small companies exemption under section 414 of the Companies Act 2006 and not presented a Strategic Report.

Overview

The Company is part of a group of companies controlled by Amber River Group Limited (formerly Socium Group Holdings Limited), a company incorporated in England and Wales. Amber River Group Limited is an investment vehicle aimed at investing in independent financial advisers trading in the UK retail distribution market.

The Company was acquired on 18 October 2021 by Amber River Group Limited. On 26 October 2021 the accounting reference was shortened to 31 December 2021.

Following the acquisition the Company adopted the Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") having previously applied Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The impacts of this adoption are shown in note 14 to align with the group.

Principal activity

The principal activity of the Company is the provision of independent financial advice to individuals and corporate clients.

Directors

The directors who served during the period were:

Mr P Cullen (appointed 19 October 2021)
Mr D Pelster (appointed 19 October 2021)
Ms J E Morrison (resigned 19 October 2021)
Mr R S Morrison (resigned 19 October 2021)

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate financial resources to continue to trade for at least 12 months from the date of this report and as a consequence have continued to adopt the going concern basis of accounting in preparing the financial statements.

The assessment of the latest financial forecasts includes:

- Consideration of macro-economic trends in the context of the emerging impact of the Russia and Ukraine conflict, ongoing impact of COVID-19 and Brexit and sensitivity analysis to assess the impact of severe but plausible scenarios; and
- The impact of COVID-19 on Company working arrangements, adaption to remote working practices and employee wellbeing.

The impact of broader Brexit and climate change challenges is primarily limited to secondary financial market impacts, as the principal activities of the Company are the provision of regulated advice within the UK market.

NEAL ROSS LIMITED

Directors' Report (continued)

For the 4 months period ended 31 December 2021

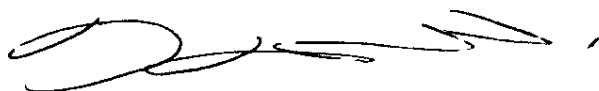
Subsequent events

No events have occurred between the balance sheet date and the date of this report, which have had an adjusting impact on the results and amounts disclosed in the financial statements.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Mr D Pelster
Director

Date: 22 September 2022

NEAL ROSS LIMITED

Directors' Responsibilities Statement For the 4 months period ended 31 December 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

NEAL ROSS LIMITED

Statement of Comprehensive Income For the 4 months period ended 31 December 2021

	Note	4 months to 31 December 2021 £	12 months to 31 August 2021 £
Turnover		107,405	518,817
Cost of sales		-	(62,392)
Gross profit		<u>107,405</u>	<u>456,425</u>
Administrative expenses		(92,755)	(237,543)
Operating profit		<u>14,650</u>	<u>218,882</u>
Investment income		-	14
Profit before tax		<u>14,650</u>	<u>218,896</u>
Tax on profit	5	(7,686)	(41,839)
Profit for the financial year		<u><u>6,964</u></u>	<u><u>177,057</u></u>

There was no other comprehensive income for 4 months to 31 December 2021 (12 months to 31 August 2021: £NIL).

The notes on pages 9 to 19 form part of these financial statements.

All results are derived from continuing operations.

NEAL ROSS LIMITED

Registered number:10055708

**Statement of Financial Position
As at 31 December 2021**

	Notes	31 December 2021 £	31 August 2021 £
Fixed assets			
Goodwill	6	-	45,557
Property, Plant & Equipment	7	-	7,048
		<u>-</u>	<u>52,605</u>
Current assets			
Debtors	8	83,337	66,904
Cash at bank and in hand	9	101,752	38,309
		<u>185,089</u>	<u>105,213</u>
Current liabilities			
Creditors: amounts falling due within one year	10	(114,131)	(74,713)
		<u>70,958</u>	<u>30,500</u>
Net current assets			
Creditors: amounts falling due after more than one year	11	-	(9,111)
		<u>70,958</u>	<u>73,994</u>
Total assets less current liabilities being net assets		<u>70,958</u>	<u>73,994</u>
Capital and reserves			
Called-up share capital	12	100	100
Retained earnings		70,858	73,894
		<u>70,958</u>	<u>73,994</u>
Equity		<u>70,958</u>	<u>73,994</u>

NEAL ROSS LIMITED

Registered number:10055708

Statement of Financial Position (continued) As at 31 December 2021

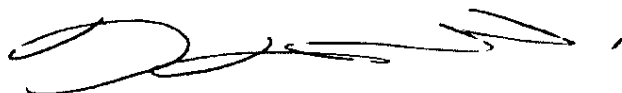
For the 4 months period ended 31 December 2021, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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



Mr D Pelster
Director

Date: 22 September 2022

The notes on pages 9 to 19 form part of these financial statements.

NEAL ROSS LIMITED

Statement of Changes in Equity For the 4 months period ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
At 1 September 2020	100	39,809	39,909
Comprehensive income for the year			
Profit for the year	-	177,057	177,057
Transactions with members			
Dividends paid	-	(142,972)	(142,972)
At 1 September 2021	100	73,894	73,994
Comprehensive income for the period			
Profit for the period	-	6,964	6,964
Transactions with members			
Dividends paid	-	(10,000)	(10,000)
At 31 December 2021	100	70,858	70,958

The notes on pages 9 to 19 form part of these financial statements.

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December 2021

1. General information

Neal Ross Limited is a private company, limited by shares, registered in England and Wales. The registered office is shown on page 1.

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.

Information on the impact of first-time adoption of FRS 101 is given in note 14.

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

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 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;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 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; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December 2021

2. Accounting policies (continued)

2.3 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate financial resources to continue to trade for at least 12 months from the date of this report and as a consequence have continued to adopt the going concern basis of accounting in preparing the financial statements.

The assessment of the latest financial forecasts includes:

- Consideration of macro-economic trends in the context of the emerging impact of the Russia and Ukraine conflict, ongoing impact of COVID-19 and Brexit and sensitivity analysis to assess the impact of severe but plausible scenarios; and
- The impact of COVID-19 on Company working arrangements, adaption to remote working practices and employee wellbeing.

The impact of broader Brexit and climate change challenges is primarily limited to secondary financial market impacts, as the principal activities of the Company are the provision of regulated advice within the UK market.

2.4 Impact of new international reporting standards, amendments and interpretations

At the date of authorisation of these financial statements, there are no new or revised IFRSs that have been issued but are not yet effective that will have a material impact on the financial statements of the Group in future periods. The directors do not expect the adoption of those standards will have a material impact on the financial statements of the Group in future periods.

2.5 Revenue

Turnover represents commissions and fee income in respect of the introduction of financial products to financial service companies, together with fees charged for advice given. The majority of turnover is provider facilitated and paid through the deduction from the investment or commission paid. Revenue is recognised in accordance with IFRS 15 five step reconciliation model. All revenues are specific to both client and product and separately identifiable. The terms of the transactions price and any initial and on-going fees payable are set out in the signed client agreement.

Advice fees that relate to on-going client servicing contracts are typically a percentage of a client's investment value and is accrued monthly based on latest valuations. The receipt of cash from providers is generally one month in arrears and this can give rise to a difference between the accrued value and the actual cash received. Any revision to the accrual are recognised in the period which the estimate is revised.

Income relating to new business product sales is determined to have no future performance or service obligations. In accordance with IFRS 15 five step model this revenue is recognised at the inception date when the policies are placed on risk with product providers.

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December 2021

2. Accounting policies (continued)

2.6 Taxation

Current income tax

Current income tax assets and liabilities for the current periods are measured as the amount expected to be recovered from or paid to the taxation authorities or paid to or recovered from other group companies in respect of group relief surrendered or received. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss and other comprehensive income.

The taxation charge is based on the taxable result for the year. The taxable result for the year is determined in accordance with the rules established by the taxation authorities for calculating the amount of corporation tax payable.

Deferred income tax

Deferred taxes are calculated according to the statement of financial position method, based on temporary timing differences between reported and tax values of assets and liabilities. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax liabilities are not discounted.

Deferred tax assets are recognised for all the temporary timing differences to the extent that it is probable that taxable profit will be available against which deductible temporary timing differences can be utilised.

Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2.7 Property, Plant & Equipment

Property, plant & equipment are recognised as an asset only if it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

An asset that qualifies for recognition is measured at its cost comprising the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management at an initial stated cost less depreciation.

After recognition, all assets are carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over the expected useful lives on the following basis:

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% reducing balance
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NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December 2021

2. Accounting policies (continued)

2.8 Financial instruments

Financial assets carried at amortised cost

Financial assets are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Financial assets carried at amortised cost are classified as loans and receivables and comprise of trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Impairment of financial assets

The Company always recognises lifetime ECL (expected credit losses) for other receivables and intercompany receivables. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Financial liabilities carried at amortised cost

Financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

2.9 Pensions

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December 2021

2. Accounting policies (continued)

2.10 Interest income

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

2.11 Goodwill

Goodwill arising on consolidation of subsidiary undertakings, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised. Goodwill is not amortised but is tested annually for impairment and stated at cost less any accumulated impairment losses. An impairment loss is recognised whenever the carrying value of the asset exceeds its estimated recoverable amount.

Impairment tests have been conducted for each cash generating unit (CGU) within the group by determining the value-in-use, utilising cash flow projections based on recent financial budgets that have been approved by the Board. The budget projections exclude capital expenditure that improves or enhances the CGU performance and include an allocation of central corporate overheads.

The results of the testing demonstrated that the carrying value exceeded the value-in-use for each CGU and therefore an impairment charge has been recognised (see note 6).

2.12 Impairment of fixed assets and goodwill

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

2.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand.

2.14 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.

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December 2021

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

No critical judgements or estimates have been identified within the financial statements.

4. Employees

The average monthly number of employees, including the directors, during the period was as follows:

	4 months to 31 December 2021 No.	12 months to 31 August 2021 No.
Directors	2	2
Other	-	4
	<u>2</u>	<u>6</u>

5. Taxation

	4 months to 31 December 2021 £	12 months to 31 August 2021 £
Corporation tax		
Current tax on profits for the year	7,686	41,839
	<u>7,686</u>	<u>41,839</u>
Taxation on profit on ordinary activities		

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December

5. Taxation (continued)

Factors affecting tax charge for the year

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

	4 months to 31 December 2021 £	12 months to 31 August 2021 £
Profit on ordinary activities before tax	14,650	218,896
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	2,784	41,590
Effects of:		
Expenses not deductible for tax purposes	4,902	249
Total tax charge for the year	7,686	41,839

Factors that may affect future tax charges

The Finance Act 2021 announced a further increase to the main rate of corporation tax to 25% from April 2023. This was enacted in June 2021.

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December

6. Goodwill

	£
Cost	
At 1 September 2021 and at 31 December 2021	45,557
Amortisation	
At 1 September 2021	-
Impairment charge	45,557
At 31 December 2021	45,557
Net book value	
At 31 December 2021	-
At 31 August 2021	45,557

The directors undertook an impairment review of the carrying value of the goodwill during the period and determined that the carrying value exceeded its value-in-use. Accordingly an impairment charge of £45,557 was recognised.

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December

7. Property, Plant & Equipment

	Fixtures and fittings £
Cost	
At 1 September 2021	14,711
At 31 December 2021	14,711
Depreciation	
At 1 September 2021	7,663
Charge for the period on owned assets	7,048
At 31 December 2021	14,711
Net book value	
At 31 December 2021	-
At 31 August 2021	7,048

8. Debtors

	31 December 2021 £	31 August 2021 £
Trade debtors	21,600	2,988
Amounts owed by group undertakings	29,243	-
Other debtors	32,494	63,916
	83,337	66,904

Trade debtors are non-interest bearing and are generally settled on 30 day terms.

No provision for expected credit losses has been recognised in respect of financial assets (12 months to 31 August 2021: £nil).

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December

9. Cash and cash equivalents

	31 December 2021 £	31 August 2021 £
Cash at bank and in hand	101,752	38,309

Cash at bank earns no interest. The carrying amount of these assets approximates to their fair value.

10. Creditors: Amounts falling due within one year

	31 December 2021 £	31 August 2021 £
Trade creditors	23,205	28,795
Corporation tax	49,525	41,839
Other taxation and social security	4,655	935
Other creditors	36,746	3,144
	114,131	74,713

The carrying amount of creditors approximates to their fair value.

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

11. Creditors: Amounts falling due after more than one year

	31 December 2021 £	31 August 2021 £
Other creditors	-	9,111

The carrying amount of creditors approximates to their fair value.

12. Called-up share capital

	31 December 2021 £	31 August 2021 £
Authorised, allotted, called up and fully paid 100 (31 August 2021 - 100) Ordinary shares of £1.00 each	100	100

NEAL ROSS LIMITED

Notes to the Financial Statements For the 4 months period ended 31 December

12. Called-up share capital (continued)

The rights attaching to the shares are set out in the articles of association.

13. Controlling party

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is Violet Topco Limited, a Company incorporated in Jersey. The parent undertaking of the largest group, which includes the Company for which group accounts are prepared, is Violet Topco Limited, a Company incorporated in Jersey, at Second Floor, Number 4, The Forum, Grenville Street, St Helier, Jersey JE2 4UF. The parent undertaking of the smallest such group is Amber River Group Limited (formerly Socium Group Holdings Limited), a Company incorporated in England and Wales at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A EW.

Copies of the group financial statements of Violet Topco Limited are available from the Jersey Financial Services Commission, 14-18 Castle Street, St Helier, Jersey JE4 8TP. Copies of the group financial statements of Amber River Group Limited (formerly Socium Group Holdings Limited) are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Companies immediate controlling party is Amber River Group Limited.

14. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.