Registered number: SC182721

BALMORAL ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

BALMORAL ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Mr S MacDonald Mr M Burrell Mr E Atkinson Mr D Considine Mr C Hendry
Company secretary	Mr S MacDonald
Registered number	SC182721
Registered office	18 Rutland Square Edinburgh EH1 2BB
Independent auditors	Consilium Audit Limited Chartered Accountants 169 West George Street Glasgow G2 2LB
Accountants	EQ Accountants LLP Pentland House Saltire Centre Glenrothes Fife KY6 2AH

BALMORAL ASSET MANAGEMENT LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present the Strategic Report of Balmoral Asset Management Limited ("the Company") for the year ended 31 December 2021.

Principal activity

The principal activity during the year were investment management and financial planning.

Business review

The directors are pleased to report successful results during the year despite the Covid-19 pandemic affecting all businesses during 2021. Turnover for the Company has increased by 24.7% from £6.12m to £7.63m, while operating profits increased from £2.12m to £2.50m. In addition, the Company's assets under management grew by £130m to £850m

From an operational perspective, at the start of the financial year, the Company continued to operate a flexible approach to working through the pandemic and adjusted its approach in light of prevailing infection rates. As part of the move to a flexible model, the Company plans to dispose of its surplus/unoccupied office accommodation, whilst the Company's principal office accommodation was substantially refurbished, commencing and completing in 2021. This has allowed the Company to repurpose its office space, making this more conducive for its employees.

During the year, the Company carried out a strategic review of its financial services platform with, the specialist consultants, The Lang Cat Limited, concluding that, the Company's current platform provider was "best in class". In August 2021, as part of the Company's long term objectives, the Company was granted discretionary investment permissions from the FCA.

Principal risks and uncertainties

The directors continually monitor the key risks that face the Company. As with other businesses in the financial services market, some of the key risks that the Company face are the general economic climate, stock market volatility and competitor pressure. The Covid-19 pandemic ultimately had an impact on all of these areas, however, the Company has a strong board of directors who continually monitor these risks and ensure that controls are in place to manage these.

Directors' statement of compliance with duty to promote the success of the Company

The directors provide the following statement pursuant to the Companies Act 2006 (as amended by Companies (Miscellaneous Reporting) Regulations 2018) (the "Act") to describe how they have acted in accordance with their duty under section 172 of the Act to promote the success of the Company for the benefit of its members as a whole, and in so doing, how they have had regard to those factors set out in section 172(1)(a) to (f) of the Act during the financial year. In doing this, section 172 requires a director to have regard, among other matters, to:

a. The likely consequences of any decision in the long term

b. The interests of the Company's employees

c. The need to foster the Company's business relationships with suppliers, customers and others

d. The impact of the Company's operations on the community and the environment

e. The desirability of the Company maintaining a reputation for high standards of business conduct, and

f. The need to act fairly as between members of the Company

The directors consider the matters set out above in their decision-making process, through the Company's business strategy, culture, governance framework, management information flows and stakeholder engagement processes.

The interests of the Company's employees

The Company's employees are a critical component of the business and fundamental to its continued success. The Company has noted the importance of attracting, retaining and motivating employees and gathers regular feedback from employees on pay and benefits, management communication, Company values, workplace environment, personal development and progression, amongst other factors.

The need to foster the Company's business relationships with suppliers, customers and others

The directors recognise that the success of delivering the Company's strategy requires strong mutually beneficial relationships with suppliers and customers. The Company follows a rigorous process to supplier selection and the ongoing monitoring of these engagements to ensure that service levels, operational effectiveness and relevant risks are appropriately managed.

As the Company is regulated by the Financial Conduct authority ("FCA"), it is important that an open and transparent relationship is maintained with the regulator in order to ensure a reputation for high standards of business conduct and compliance with all relevant regulations. The Company engages with all required reporting to the FCA and the directors maintain regular dialogue and discussion of regulatory developments. The Risk and Compliance functions within the Company provide ongoing consideration and assessment of relevant processes and policies to ensure compliance with the relevant regulations. There is also comprehensive reporting to the Board and Risk Committees.

Our clients are central to our business and ongoing engagement with them is of critical importance. Through a thorough understanding of our clients, the Company provides investment services and solutions that assist clients with achieving their current and future financial objectives. These services and solutions are delivered with a client-centric focus that aims to provide a seamless and value-added client experience.

The impact of the Company's operations on the community and the environment

In conducting business with honesty and integrity, the Company and its employees must demonstrate respect for people and the planet. The directors and all employees are expected to consider the short-and long-term impacts to the environment and the community when they make business decisions. In all Company related activities, the directors and employees need to uphold the Company's reputation as a socially responsible firm.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Company supports and upholds a set of core values and principles. All employees are expected to understand these values and principles and continuously demonstrate the uncompromising integrity that is the foundation of our business.

The Company carries on permitted activities as permitted by the FCA and therefore operates in a highly regulated environment. The consequence of non-compliance can be severe, and it is therefore a business imperative that the Company and its employees conduct business in a manner that is consistent with Company's principles and the laws and regulations applicable to it.

As noted elsewhere in this statement, the directors maintain an open and transparent relationship with the FCA as the importance of such a relationship is paramount. It is of further importance to our clients that the Company maintains a healthy relationship with the regulator while ensuring compliance with the relevant laws and regulations. The directors are acutely aware of the reputational damage that may follow from non-compliance, and the further impact this may have on current and prospective clients through the degradation of trust and confidence. The Company has a well-established and robust governance framework that the directors are responsible for the compliance thereto.

The need to act fairly between different members of the Company

The Company is wholly owned by its directors and there are no external shareholders or investors. The directors and shareholders hold the same strategic objectives and interact on a regular basis providing updates on the operations and performance of the Company.

This report was approved by the board on 25 April 2022 and signed on its behalf.

Mr S MacDonald
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,127,682 *(2020 - £1,741,892)*.

Particulars of dividends paid are detailed in the notes to the accounts.

Directors

The directors who served during the year were:

Mr S MacDonald
Mr M Burrell
Mr E Atkinson
Mr D Considine
Mr C Hendry

Future developments

The markets remain strong and the directors consider the business to be in a strong financial position for the future.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Consilium Audit Limited was appointed as auditor to the Company and in accordance with section 485 of the Companies Act 2006.

The Auditor, Consilium Audit Limited, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

This report was approved by the board on 25 April 2022 and signed on its behalf.

Mr S MacDonald
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALMORAL ASSET MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Balmoral Asset Management Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALMORAL ASSET MANAGEMENT LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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.

Auditors' 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 Auditors' 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including

fraud and non-compliance with laws and regulations, was as follows:

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and management and from our knowledge of the regulatory environment relevant to the company.
- We assessed the extent of compliance with laws and regulations through making enquiries of management, inspecting legal correspondence and reviewing regulatory correspondence with the FCA.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud.
- To address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and we investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALMORAL ASSET MANAGEMENT LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

David Holt (Senior statutory auditor)

for and on behalf of
Consilium Audit Limited

Chartered Accountants

169 West George Street
Glasgow
G2 2LB

25 April 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 £	*2020 £*
Turnover	4	**7,629,329**	*6,117,984*
Cost of sales		**(2,875,238)**	*(2,305,369)*
Gross profit		**4,754,091**	*3,812,615*
Administrative expenses		**(2,287,392)**	*(1,729,154)*
Other operating income	5	**27,015**	*37,830*
Operating profit		**2,493,714**	*2,121,291*
Interest receivable and similar income	10	**-**	*185*
Interest payable and similar expenses	11	**(15,172)**	*(22,698)*
Change in market value of investments		**132,277**	*66,213*
Profit before tax		**2,610,819**	*2,164,991*
Tax on profit	12	**(483,137)**	*(423,099)*
Profit for the financial year		**2,127,682**	*1,741,892*

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

The notes on pages 15 to 29 form part of these financial statements.

BALMORAL ASSET MANAGEMENT LIMITED
REGISTERED NUMBER: SC182721

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

			2021 £		2020 £
Fixed assets					
Tangible assets	15		**3,655,918**		*3,210,360*
			3,655,918		*3,210,360*
Current assets					
Debtors: amounts falling due within one year	16	**622,391**		*478,078*	
Current asset investments	17	**1,205,375**		*1,073,098*	
Cash at bank and in hand	18	**2,629,339**		*1,655,869*	
		4,457,105		*3,207,045*	
Creditors: amounts falling due within one year	19	**(1,457,931)**		*(1,114,186)*	
Net current assets			**2,999,174**		*2,092,859*
Total assets less current liabilities			**6,655,092**		*5,303,219*
Creditors: amounts falling due after more than one year	20		**(636,397)**		*(685,672)*
Provisions for liabilities					
Deferred tax	23	**(101,318)**		*(27,732)*	
			(101,318)		*(27,732)*
Net assets			**5,917,377**		*4,589,815*
Capital and reserves					
Called up share capital	24		**83**		*83*
Revaluation reserve	25		**413,757**		*413,757*
Capital redemption reserve	25		**17**		*17*
Profit and loss account	25		**5,503,520**		*4,175,958*
			5,917,377		*4,589,815*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 April 2022.

Mr S MacDonald
Director

Mr M Burrell
Director

The notes on pages 15 to 29 form part of these financial statements.

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

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2021	83	17	413,757	4,175,958	4,589,815
Profit for the year	-	-	-	2,127,682	2,127,682
Dividends: Equity capital	-	-	-	(800,120)	(800,120)
At 31 December 2021	83	17	413,757	5,503,520	5,917,377

The notes on pages 15 to 29 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2020	83	17	413,757	3,234,186	3,648,043
Profit for the year	-	-	-	1,741,892	1,741,892
Dividends: Equity capital	-	-	-	(800,120)	(800,120)
At 31 December 2020	83	17	413,757	4,175,958	4,589,815

The notes on pages 15 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	*2020* *£*
Cash flows from operating activities		
Profit for the financial year	**2,127,682**	*1,741,892*
Adjustments for:		
Amortisation of intangible assets	**-**	*40,333*
Depreciation of tangible assets	**31,860**	*31,564*
Loss on disposal of tangible assets	**1,261**	*-*
Interest paid	**15,172**	*22,698*
Interest received	**-**	*(185)*
Taxation charge	**483,137**	*423,099*
(Increase)/decrease in debtors	**(144,313)**	*5,434*
Increase/(decrease) in creditors	**359,494**	*(51,502)*
Corporation tax (paid)	**(425,300)**	*(415,855)*
Change in market value of investments	**(132,277)**	*(66,558)*
Net cash generated from operating activities	**2,316,716**	*1,730,920*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(479,830)**	*(14,498)*
Sale of tangible fixed assets	**1,151**	*-*
Purchase of short-term listed investments	**-**	*(1,007,464)*
Sale of short-term listed investments	**-**	*587,809*
Interest received	**-**	*185*
Net cash from investing activities	**(478,679)**	*(433,968)*
Cash flows from financing activities		
Repayment of loans	**(49,275)**	*(311,270)*
Dividends paid	**(800,120)**	*(800,120)*
Interest paid	**(15,172)**	*(22,698)*
Net cash used in financing activities	**(864,567)**	*(1,134,088)*
Net increase in cash and cash equivalents	**973,470**	*162,864*
Cash and cash equivalents at beginning of year	**1,655,869**	*1,493,005*
Cash and cash equivalents at the end of year	**2,629,339**	*1,655,869*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**2,629,339**	*1,655,869*

The notes on pages 15 to 29 form part of these financial statements.

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	Change in market value of investments £	At 31 Decembe 2021 £
Cash at bank and in hand	1,655,869	973,470	-	2,629,339
Debt due after 1 year	(685,672)	49,275	-	(636,397)
Debt due within 1 year	(55,068)	-	-	(55,068)
Current investments	1,073,098	-	132,277	1,205,375
	1,988,227	1,022,745	132,277	3,143,249

The notes on pages 15 to 29 form part of these financial statements.

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

1. General information

Balmoral Asset Management Limited is a private company, limited by shares and incorporated in Scotland, registration number SC182721. The registered office address is 18 Rutland Square, Edinburgh, EH1 2BB.

The financial statements are presented in Sterling which is the functional currency of the Company and rounded to the nearest £.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover represents amounts receivable for financial services provided. Income is recognised upon receipt of the client's authorisation of a new investment contract. For ongoing and all initial income, income is recognised on an accruals basis.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

During the year the business was in receipt of the following revenue grants in relation to the COVID-19 pandemic:

Coronavirus Job Retention Scheme (CJRS) which is recognised when receivable.

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

2. Accounting policies (continued)

2.5 Finance costs

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

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year 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 tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

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

2. Accounting policies (continued)

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of comprehensive income over its useful economic life.

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	5 years

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	10% and 25% straight line
Fixtures, fittings and equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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

2. Accounting policies (continued)

2.10 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.11 Valuation of investments

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.12 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.

2.13 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 Creditors

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

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.16 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.

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

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

The preparation of the financial statements require management to make judgements and estimations. The most significant estimation within the Company's financial statements relates to depreciation, particularly plant and machinery depreciation. The directors review depreciation rates on a regular basis to ensure that the policy rates remain appropriate and fairly charge the cost of fixed assets over their predicted useful lives for each specific category of fixed asset.

4. Turnover

The whole of the turnover is attributable to investment management and financial planning.

Analysis of turnover by country of destination:

	2021 £	*2020* *£*
United Kingdom	**7,629,329**	*6,117,984*

5. Other operating income

	2021 £	*2020* *£*
Other operating income	**7,871**	*9,966*
Government grants receivable	**19,144**	*27,864*
	27,015	*37,830*

6. Operating profit

The operating profit is stated after charging:

	2021 £	*2020* *£*
Depreciation of tangible fixed assets	**31,860**	*31,564*
Amortisation of intangible fixed assets	**-**	*40,333*
Operating lease rentals	**1,368**	-
Change in market value of investments	**132,277**	*66,213*
Pension costs	**245,613**	*173,640*

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

7. Auditors' remuneration

	2021 £	*2020* *£*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**10,500**	*-*
Fees payable to the Company's auditor and its associates in respect of:		
Non-audit services	**1,500**	*-*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	*2020* *£*
Wages and salaries	**3,016,076**	*2,718,745*
Social security costs	**367,127**	*334,920*
Cost of defined contribution scheme	**245,613**	*173,640*
	3,628,816	*3,227,305*

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

	2021 No.	*2020* *No.*
Directors	**5**	*5*
Fee earners	**3**	*3*
Administration	**19**	*26*
	27	*34*

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

9. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	**1,621,619**	*1,402,513*
Company contributions to defined contribution pension schemes	**46,965**	*53,989*
	1,668,584	*1,456,502*

During the year retirement benefits were accruing to 5 directors *(2020 - 5)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £381,064 *(2020 - £305,668)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,596 *(2020 - £39,600)*.

10. Interest receivable

	2021	2020
	£	£
Other interest receivable	**-**	*185*

11. Interest payable and similar expenses

	2021	2020
	£	£
Bank interest payable	**15,172**	*22,698*

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

12. Taxation

	2021 £	*2020* *£*
Corporation tax		
Current tax on profits for the year	**409,871**	*425,620*
Adjustments in respect of previous periods	**(320)**	*-*
	409,551	*425,620*
Total current tax	**409,551**	*425,620*
Deferred tax		
Origination and reversal of timing differences	**73,586**	*(2,521)*
Total deferred tax	**73,586**	*(2,521)*
Taxation on profit on ordinary activities	**483,137**	*423,099*

Factors affecting tax charge for the year

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

	2021 £	*2020* *£*
Profit on ordinary activities before tax	**2,610,819**	*2,164,991*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**496,056**	*411,348*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**-**	*7,663*
Expenses not deductible for tax purposes	**5,617**	*3,969*
Adjustments to tax charge in respect of prior periods	**(320)**	*-*
Additional super-deduction capital allowances	**(18,265)**	*-*
Depreciation of non-qualifying assets	**49**	*119*
Total tax charge for the year	**483,137**	*423,099*

Factors that may affect future tax charges

There is an increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) which was enacted on 11 March 2021. The 19% rate will continue to apply for companies with profits up to £50,000.

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

13. Dividends

	2021 £	*2020* *£*
Ordinary A shares of £1 each	**450,188**	*450,188*
Ordinary B shares of £1 each	**349,932**	*349,932*
	800,120	*800,120*

14. Intangible assets

	Goodwill £
Cost	
At 1 January 2021	**220,000**
At 31 December 2021	**220,000**
Amortisation	
At 1 January 2021	**220,000**
At 31 December 2021	**220,000**
Net book value	
At 31 December 2021	-
At 31 December 2020	-

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

15. Tangible fixed assets

	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	**3,172,350**	**248,118**	**166,321**	**3,586,789**
Additions	**-**	**71,704**	**408,126**	**479,830**
Disposals	**-**	**(95,150)**	**(44,396)**	**(139,546)**
At 31 December 2021	**3,172,350**	**224,672**	**530,051**	**3,927,073**
Depreciation				
At 1 January 2021	**-**	**218,074**	**158,355**	**376,429**
Charge for the year on owned assets	**-**	**22,314**	**9,546**	**31,860**
Disposals	**-**	**(95,150)**	**(41,984)**	**(137,134)**
At 31 December 2021	**-**	**145,238**	**125,917**	**271,155**
Net book value				
At 31 December 2021	**3,172,350**	**79,434**	**404,134**	**3,655,918**
At 31 December 2020	*3,172,350*	*30,044*	*7,966*	*3,210,360*

The Company's freehold properties were valued in December 2018 by Graham & Sibbald, Chartered Surveyors, on an open market basis. Based on the directors' knowledge, they believe the values included within the financial statements represent an open market value at 31 December 2021.

16. Debtors

	2021	*2020*
	£	*£*
Trade debtors	**417,302**	*316,379*
Prepayments and accrued income	**205,089**	*161,699*
	622,391	*478,078*

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

17. Current asset investments

	2021	2020
	£	£
Listed investments	**1,205,375**	*1,073,098*

	2021	2020
	£	£
At 1 January 2021	**1,073,098**	*586,885*
Purchases	**-**	*1,007,464*
Sales	**-**	*(587,809)*
Gains on remeasurement	**132,277**	*66,558*
At 31 December 2021	**1,205,375**	*1,073,098*

18. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	**2,629,339**	*1,655,869*

19. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank loans	**55,068**	*55,068*
Trade creditors	**53,380**	*1,055*
Other taxation and social security	**243,314**	*274,515*
Other creditors	**846,065**	*605,971*
Accruals and deferred income	**260,104**	*177,577*
	1,457,931	*1,114,186*

Secured loans

Bank loans of £55,068 (2020 - £55,068) are secured by a bond and floating charge.

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

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

	2021	2020
	£	£
Bank loans	**636,397**	*685,672*

Secured loans

Bank loans of £636,397 (2020 - £685,672) are secured by a bond and floating charge. Included within bank loans are payments of £430,097 (2020 - £479,372) due after more than five years.

21. Loans

Analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year		
Bank loans	**55,068**	*55,068*
Amounts falling due 2-5 years		
Bank loans	**206,300**	*206,300*
Amounts falling due after more than 5 years		
Bank loans	**430,097**	*479,372*
	691,465	*740,740*

The loans are secured with a standard security charge over the property acquired by the loan and a bond and floating charge over all properties owned by the Company.

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

22. Financial instruments

	2021 £	*2020* *£*
Financial assets		
Financial assets measured at fair value through profit or loss	**3,834,714**	*2,728,967*
Financial assets that are debt instruments measured at amortised cost	**417,302**	*316,379*
	4,252,016	*3,045,346*
Financial liabilities		
Other financial liabilities measured at fair value through profit or loss	**1,851,014**	*1,525,343*

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand and listed investments.

Financial assets measured that are debt instruments measured at amortised cost comprise of trade debtors.

Other financial liabilities measured at fair value through profit or loss comprise of trade creditors, accruals, other creditors and bank loans.

23. Deferred taxation

	2021 £	*2020* *£*
At beginning of year	**(27,732)**	*(30,253)*
Charged to profit or loss	**(73,586)**	*2,521*
At end of year	**(101,318)**	*(27,732)*

The provision for deferred taxation is made up as follows:

	2021 £	*2020* *£*
Accelerated capital allowances	**(92,519)**	*(7,140)*
Short term timing differences	**11,793**	-
Revaluation reserve	**(20,592)**	*(20,592)*
	(101,318)	*(27,732)*

Accelerated capital allowances are expected to be reversed over the remaining useful life of the assets. Short term timing differences are expected to be reversed during the next financial year. Revaluation reserve is expected to be reversed on disposal of the property in which it relates to.

There is no expiry date on the timing differences.

24. Share capital

	2021 £	*2020* *£*
Allotted, called up and fully paid		
467 Ordinary Class 'A' shares of £0.10 each	**47**	*47*
363 Ordinary Class 'B' shares of £0.10 each	**36**	*36*
	83	*83*

All shares issued rank equally in terms of:

a) one voting right for each share.

b) rights to participate in approved dividend distributions for that class of share.

c) rights to participate in any capital distribution on winding up.

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

25. Reserves

Revaluation reserve

The revaluation reserve includes all gains and losses on revaluations of the Company's freehold properties.

Capital redemption reserve

The capital redemption reserve relates to a share buy back option

Profit and loss account

The profit and loss account includes all current and prior year retained profits and losses.

26. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £245,613 (2020 - £173,640). Contributions totaling £62,069 (2020 - £NIL) were payable to the fund at the reporting date and are included in other creditors.

27. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	*2020* *£*
Not later than 1 year	**1,368**	-
Later than 1 year and not later than 5 years	**1,710**	-
	3,078	-

28. Controlling party

The Company was under the control of Mr S MacDonald throughout the current year and previous year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.