

Registered number: 00048796

**CHARLES STANLEY GROUP LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE 18-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

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# CHARLES STANLEY GROUP LIMITED

## CONTENTS

	Page
Company information	1
Directors' report	2 - 3
Statement of Directors' responsibilities	4
Independent auditor's report to the members of Charles Stanley Limited	5 - 7
Income statement	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 – 23

# CHARLES STANLEY GROUP LIMITED

## COMPANY INFORMATION

### Directors

Sir David Howard (Chair)  
Tashtego Elwyn (appointed 21 January 2022)  
Peter Moores (appointed 21 January 2022)

### Company secretary

Julie Ung

### Company number

00048796

### Registered office

55 Bishopsgate  
London  
EC2N 3AS

### Auditor

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

### Banker

Bank of Scotland  
New Ueberior House  
11 Earl Grey Street  
Edinburgh  
EH3 9BN

## CHARLES STANLEY GROUP LIMITED

Registered number: 00048796

### DIRECTORS' REPORT

#### For the 18-month period ended 30 September 2022

The Directors submit their report and financial statements for the 18-month period ended 30 September 2022. For Charles Stanley Group Limited (the "Company").

#### Results, dividends and future developments

The results for the 18-month period are set out on page 8. The Company reported a loss before tax of £1.2 million (2021: profit before tax £9.0 million). The loss arose as a result of the £1.3 million impairment of two dormant companies, Myddleton Croft Limited and Gryphon Investments Limited, which were wound up and struck off during the period. Dividends of £6.8 million were paid during the period (2021: £4.7 million) and the Directors are not recommending a final dividend (2021: £nil).

#### Directors

The Directors who served during the period were as follows:

Name	Position	
Sir David Howard (Chair)	Non-Executive Director	
Paul Abberley	Executive Director	(Resigned 21 January 2022)
Marcia Campbell	Independent Non-Executive Director	(Resigned 21 January 2022)
Andrew Didham	Independent Non-Executive Director	(Resigned 16 December 2021)
Tashtego Elwyn	Non-Executive Director	(Appointed 21 January 2022)
Hugh Grootenhuis	Non-Executive Director	(Resigned 21 January 2022)
Ben Money-Coutts	Executive Director	(Resigned 21 January 2022)
Peter Moores	Executive Director	(Appointed 21 January 2022)
Anna Troup	Independent Non-Executive Director	(Resigned 21 January 2022)

Following completion of the acquisition of the Company by Raymond James Financial, Inc. (the "Ultimate Parent") in January 2022, the Company now acts as an intermediate holding company for Charles Stanley & Co. Limited (the "Subsidiary" or "CSC") and the Board is charged with the responsibility of contributing to the cultural and historical continuity of the Charles Stanley Group.

All Directors have received continuing professional development training during the period regarding matters pertaining to their roles and responsibilities as Directors. The content of such training is kept under constant review, responding to changing needs as they are identified.

#### Auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Reappointment of auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

## CHARLES STANLEY GROUP LIMITED

Registered number: 00048796

### DIRECTORS' REPORT

For the 18-month period ended 30 September 2022

#### Going concern

The Company is an intermediate holding company and has no trading activities of its own. It does, however, own a number of investment portfolios on behalf of the Subsidiary and maintains a modest cash balance for residual unclaimed dividends from the period prior to the acquisition by the Ultimate Parent.

The Company has net current liabilities which largely comprise intercompany balances with the Subsidiary. The Board of Directors of the Subsidiary has stated that it has no intention of calling on the debt from the Company. There are no plans either in the Company or the Subsidiary to restructure these balances. The Ultimate Parent has indicated that it is supportive of these arrangements.

Accordingly, the Board considers that it is appropriate for the accounts to be prepared on a Going Concern basis.

#### Financial outlook

The Board is confident about the strength of the Company's balance sheet and liquidity position. As at 30 September 2022, the Company had total cash balances of £0.3 million (31 March 2021: £0.7 million) and no borrowings.

By order of the Board,



**Julie Ung**  
Company Secretary  
30 November 2022

## CHARLES STANLEY GROUP LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the 18-month period ended 30 September 2022

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 period. Under that law they have elected to prepare the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and applicable law.

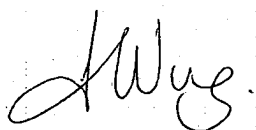
Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board,



**Julie Ung**  
Company Secretary  
30 November 2022

# AUDITORS REPORT TO THE MEMBERS OF CHARLES STANLEY GROUP LIMITED

For the 18-month period ended 30 September 2022

## Opinion on financial statements

We have audited the financial statements of Charles Stanley Group Limited for the period ended 30 September 2022 which comprise the income statement, statement of financial position, statement of changes in equity, statement of cash flows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its loss for the period then ended;
- Have been properly prepared in accordance with UK-adopted international accounting standards; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of Directors and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the Directors have knowledge of any actual, suspected or alleged fraud.

## AUDITORS REPORT TO THE MEMBERS OF CHARLES STANLEY GROUP LIMITED

For the 18-month period ended 30 September 2022

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

### **Fraud and breaches of laws and regulations – ability to detect (continued)**

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Directors' report**

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- We have not identified material misstatements in the Directors' report;
- In our opinion the information given in those report for the financial year is consistent with the financial statements; and
- In our opinion those report have been prepared in accordance with the Companies Act 2006.



# AUDITORS REPORT TO THE MEMBERS OF CHARLES STANLEY GROUP LIMITED

## For the 18-month period ended 30 September 2022

### Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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; and
- We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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.



Bano Sheikh (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
30 November 2022

# CHARLES STANLEY GROUP LIMITED

## INCOME STATEMENT

For the 18-month period ended 30 September 2022

	Notes	For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
Administrative expenses		(57)	(899)
Other income	5	374	10,222
Operating profit		317	9,323
Impairment of subsidiaries	11	(1,301)	(710)
Finance income	6	(213)	388
Net finance and other non-operating costs		(1,514)	(322)
(Loss)/profit before tax		(1,197)	9,001
Tax expense	7	(75)	(358)
(Loss)/profit for the period attributable to equity shareholders		(1,272)	8,643

The results for each period relate to continuing activities. There were no discontinued operations in either the current period or the prior year.

The notes on pages 12 to 23 form part of these financial statements.

# CHARLES STANLEY GROUP LIMITED

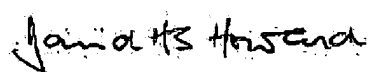
## STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	2022 £000	2021 £000
<b>Assets</b>			
Intangible assets	9	6,517	9,934
Deferred tax asset	10	–	70
Investment in subsidiaries	11	41,901	39,368
<b>Non-current assets</b>		<b>48,418</b>	<b>49,372</b>
Financial assets at fair value through profit or loss	12	2,209	1,874
Cash and cash equivalents	13	328	742
<b>Current assets</b>		<b>2,537</b>	<b>2,616</b>
<b>Total assets</b>		<b>50,955</b>	<b>51,988</b>
<b>Equity</b>			
Share capital	15	13,463	13,029
Share premium	15	6,590	5,207
Own shares		(900)	(724)
Merger relief reserve		15,167	15,167
Retained earnings		7,046	11,333
<b>Total equity</b>		<b>41,366</b>	<b>44,012</b>
<b>Liabilities</b>			
Trade and other payables	14	9,584	7,976
Deferred tax liability	10	5	–
<b>Current liabilities</b>		<b>9,589</b>	<b>7,976</b>
<b>Total liabilities</b>		<b>9,589</b>	<b>7,976</b>
<b>Total equity and liabilities</b>		<b>50,955</b>	<b>51,988</b>

The notes on pages 12 to 23 form part of these financial statements.

The financial statements were approved and authorised on 30 November 2022 for issue by the Board and were signed on its behalf.



**Sir David Howard**  
Non-Executive Director



**Peter Moores**  
Executive Director

**CHARLES STANLEY GROUP LIMITED**

Registered Number: 00048796

**STATEMENT OF CHANGES IN EQUITY**

For the 18-month period ended 30 September 2022

	Share capital £000	Share premium £000	Own shares £000	Merger relief reserve £000	Retained earnings £000	Total £000
At 1 April 2021	13,029	5,207	(724)	15,167	11,333	44,012
Loss for the period	—	—	—	—	(1,272)	(1,272)
Total comprehensive income for the period	—	—	—	—	(1,272)	(1,272)
Dividends paid	—	—	—	—	(6,770)	(6,770)
Unclaimed dividends	—	—	—	—	18	18
Share capital reduction	(21)	—	—	—	21	—
Own shares acquired	—	—	(294)	—	—	(294)
Shares transferred to employees	—	—	118	—	(118)	—
Share-based payments:						
– value of employee services	—	—	—	—	3,834	3,834
– issue of shares	455	1,383	—	—	—	1,817
At 30 September 2022	13,463	6,590	(900)	15,167	7,046	41,366

	Share capital £000	Share premium £000	Own shares £000	Merger relief reserve £000	Retained earnings £000	Total £000
At 1 April 2020	12,784	5,170	(334)	15,167	6,671	39,458
Profit for the period	—	—	—	—	8,643	8,643
Total comprehensive income for the year	—	—	—	—	8,643	8,643
Dividends paid	—	—	—	—	(4,688)	(4,688)
Unclaimed dividends	—	—	—	—	13	13
Own shares acquired	—	—	(447)	—	—	(447)
Shares transferred to employees	—	—	57	—	(57)	—
Share-based payments:						
– value of employee services	—	—	—	—	759	759
– issue of shares	245	37	—	—	—	282
– related deferred tax	—	—	—	—	(8)	(8)
At 31 March 2021	13,029	5,207	(724)	15,167	11,333	44,012

The notes on pages 12 to 23 form part of these financial statements.

# CHARLES STANLEY GROUP LIMITED

## STATEMENT OF CASH FLOWS

For the 18-month period ended 30 September 2022

		For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated/(used) from activities	16	5,360	(9,387)
Interest received		–	3
Net cash generated/(used) from operating activities		5,360	(9,384)
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets		–	(907)
Proceeds from the sale of financial assets		409	5,935
Purchase of financial assets		(957)	(976)
Dividends received		–	10,222
Net cash (used)/generated from investing activities		(548)	14,274
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary share capital		1,838	282
Purchase of own shares		(294)	(447)
Dividends paid		(6,770)	(4,688)
Net cash used in financing activities		(5,226)	(4,853)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(414)</b>	<b>37</b>
Cash and cash equivalents at start of period		742	705
Cash and cash equivalents at end of period	13	328	742

The notes on pages 12 to 23 form part of these financial statements.

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 1. General information

Charles Stanley Group Limited (the "Company") acts as a holding company for Charles Stanley & Co. Limited ("the Subsidiary"), the Company's regulated trading subsidiary which is domiciled in England and Wales. There are no direct trading activities in the Company and two dormant subsidiaries, Gryphon Investments Limited and Myddleton Croft Limited, were wound up and struck off during the period.

The Company is a limited company and domiciled in the UK. The address of its registered office is 55 Bishopsgate, London, United Kingdom, EC2N 3AS.

### 2. Basis of preparation and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. These financial statements have been prepared for an 18-month period to 30 September 2022. The reporting period has changed due to the acquisition of Charles Stanley Group Limited, by the Ultimate Parent which completed on 21 January 2022. As a result of this, the 18-month trading figures included in these financial statements are not entirely comparable with the previous 12-month reporting period.

#### 2.1 Basis of preparation of the financial statements

The Company's financial statements are presented and prepared on a going concern basis and in accordance with UK-adopted international accounting standards.

#### 2.2 Functional and presentation currency

The Company's financial statements are presented in GBP, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis at each reporting date.

#### 2.4 Going concern

Notwithstanding net current liabilities of £7.0 million as at 30 September 2022, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due during the going concern assessment period.

That assessment is dependent on the Company's subsidiary Company, CSC not seeking repayment of the amounts currently due to the Company, which at 30 September 2022 amounted to £9.5 million. CSC has indicated that it does not intend to seek repayment of these amounts during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 18 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 2. Summary of significant accounting policies (continued)

#### 2.5 Foreign currency translation

Foreign currency transactions are translated into GBP using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

#### 2.7 Current and deferred income tax

The tax expense for the period comprises deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is not provided on temporary timing differences arising on goodwill as the temporary timing difference will not reverse in the foreseeable future.

#### 2.8 Intangible assets

##### 2.8.1 Goodwill

The goodwill attributed to the Company is represented by five Cash Generating Units ("CGUs") comprising acquired investment management teams in different locations across the UK. The largest CGU, Edinburgh, represents 66% of the carrying value of the goodwill held. The Eastbourne CGU had the lowest headroom, of £1.5 million, between the carrying value and the recoverable amount. FuMA associated with this CGU would need to fall by more than 30% under the current method before an impairment would be recognised.

The recoverable amount of all CGUs was determined to be higher than the carrying amounts and therefore the goodwill carrying value is adequately supported. There are no significant estimation uncertainties which could otherwise lead to a material adjustment in future periods.

##### 2.8.2 Client relationships

Client relationships acquired in a business combination are recognised at fair value at the acquisition date. Client relationships acquired outside of a business combination are initially recognised at cost. The client relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their useful lives, estimated at ten years. Payments made to investment managers for introducing client relationships are capitalised as incremental costs of obtaining a contract in accordance with IFRS 15.

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### **2. Summary of significant accounting policies (continued)**

During the period all Customer Relationship intangible assets were transferred to the Subsidiary at net book value. No cash flow or profits were realised.

#### **2.9 Impairment**

##### **2.9.1 Impairment of non-derivative financial assets**

At each reporting date the Company recognises loss allowances for expected credit losses for all financial assets at amortised cost. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for debt securities and bank balances for which credit risk has not increased significantly since initial recognition, these are measured at 12-month expected credit losses. When estimating expected credit loss by determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort.

##### **2.9.2 Impairment of non-financial assets**

Intangible assets with a determinable useful life are amortised over the useful life and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (CGUs).

#### **2.10 Cash and cash equivalents**

Cash and cash equivalents include cash held with banks.

#### **2.11 Investments in subsidiaries**

Investments in subsidiaries are stated at cost less any provision for impairment.

#### **2.12 Trade payables**

Trade payables consist of amounts payable and obligations for goods or services in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year. Payables due after one year are presented as non-current liabilities. Trade payables are measured at amortised cost using the effective interest method.

#### **2.13 Share capital**

Ordinary shares for the Company are classified as equity. Share capital represents the nominal value of shares issued.

#### **2.14 Share premium**

Shares are issued for an amount exceeding their nominal value, the excess is recorded in the share premium account.

#### **2.15 Merger relief reserve**

The reserve records the movement in share issues.

#### **2.16 Retained earnings**

The reserve records all income, expenses, gains and losses recognised in the income statement and the statement of comprehensive income and is the net of dividends paid to shareholders. This is distributable.



## CHARLES STANLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

#### 2. Summary of significant accounting policies (continued)

##### 2.17 Application of new and revised IFRSs and changes in accounting policies

###### 2.17.1 Changes in accounting policies

The accounting policies adopted in the preparation of the Company's financial statements are as set out above. They are consistent with those followed in the preparation of the Company's financial statements for the year-ended 31 March 2021, except for the mandatory standards and amendments that had an effective date subsequent to 1 April 2021.

###### 2.17.2 Changes in accounting standards

A number of new standards and amendments to standards and interpretations are effective for periods beginning on or after 1 April 2021. These new standards are not applicable to these financial statements and they are not expected to have a material impact when they become effective. The Company plans to apply these standards and amendments in the reporting period in which they become effective.

#### 3. Use of judgements and estimates

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions to determine the carrying amounts of certain assets and liabilities. The estimates and associated assumptions are based on the Company's historical experience and other relevant factors. Actual results may differ from the estimates applied.

Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### 3.1 Key accounting judgements in applying the Company's accounting policies

The Directors do not consider there are any key accounting judgements impacting the financial statements.

#### 4. Auditors' remuneration

	For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
<b>Fees payable to the Company's auditors for other services:</b>		
Audit of Company's annual accounts	90	90
	<b>90</b>	<b>90</b>
<b>Fees payable to the Company's auditors for other services:</b>		
Other assurance services	52	50
	<b>52</b>	<b>52</b>
	<b>142</b>	<b>140</b>

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 5. Other income

	For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
Dividend income	374	29
Group dividend income	–	10,193
Other income	374	10,222

### 6. Finance income

	For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
Realised gains on debt securities at amortised cost	–	3
Unrealised (losses)/gains on financial assets at fair value through profit or loss	(203)	288
Realised net (losses)/gains on financial assets	(10)	97
	(213)	388

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 7. Income taxes

	For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
<b>Deferred taxation</b>		
Expense for the period	75	372
Adjustment in respect of prior years	–	(14)
	<b>75</b>	<b>358</b>
<b>Total tax expense on continuing operations</b>	<b>75</b>	<b>358</b>

Deferred tax is calculated using the rate expected to apply when the relevant timing differences are forecast to unwind. A deferred tax rate of 25% has been applied, being the latest substantively enacted corporation tax rate as at 30 September 2022.

The tax expense for the period is different from the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are as follows:

	For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
(Loss)/profit before tax from continued operations	(1,197)	9,001
(Loss)/profit multiplied by rate of corporation tax in the UK of 19%	(227)	1,710
<b>Tax effects of:</b>		
Expenses not allowed for tax	247	335
Income not allowed for tax	(71)	(2,155)
Intangible assets amortisation and impairments	–	52
Share options	(15)	(19)
Other adjustments	1	(1)
Group relief	140	436
	<b>302</b>	<b>(1,352)</b>
<b>Total tax expense for the period</b>	<b>75</b>	<b>358</b>

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 8. Directors' remuneration

	For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
Directors' remuneration	176	999
Amounts receivable under long term incentive schemes	—	450
Company contributions to money purchase pension plans	—	129
Amounts paid to third parties in respect of Directors' services <sup>1</sup>	—	23
	<b>176</b>	<b>1,601</b>

<sup>1</sup>There are no amounts for 2022 as two Executive Directors have resigned during the period.

The highest paid Director received remuneration of £0.2 million (2021: £0.7 million). The value of the contributions in respect of defined contribution pension schemes to which the highest paid Director was entitled to, amounted to £0.0 million (2021: £0.1 million).

	For the 18 months ended 30 September 2022	For the year ended 31 March 2021
Retirement benefits are accruing to the following number of Directors under:		
Defined benefit schemes	—	1

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 9. Intangible assets

	Goodwill	Customer Relationships	Total
Cost	£000	£000	£000
At 1 April 2020	10,027	22,764	32,791
Additions	–	503	503
At 31 March 2021	10,027	23,267	33,294
Transfer to Charles Stanley & Co. Limited	–	(23,267)	(23,267)
At 30 September 2022	10,027	–	10,027
<b>Amortisation and impairment</b>			
At 1 April 2020	3,510	18,950	22,460
Amortisation charge during the period	–	900	900
At 31 March 2021	3,510	19,850	23,360
Transfer to Charles Stanley & Co. Limited	–	(19,850)	(19,850)
At 30 September 2022	3,510	–	3,510
<b>Net book value</b>			
At 30 September 2022	6,517	–	6,517
At 31 March 2021	6,517	3,417	9,934

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 10. Deferred tax (liability)/asset

	<b>Total</b>
	<b>£000</b>
At 1 April 2020	436
Changes in fair value of financial assets	55
Other timing differences	(429)
Amounts credited to equity	8
At 31 March 2021	<b>70</b>
Charge to the income statement	(73)
Rate change	(2)
At 30 September 2022	<b>(5)</b>

Deferred tax is calculated using the rate expected to apply when the relevant timing differences are forecast to unwind. A deferred tax rate of 25% (2021: 19%) has been applied, being the substantively enacted corporation tax rate at 30 September 2022.

### 11. Investments in subsidiaries

	<b>Total</b>
	<b>£000</b>
<b>Cost</b>	
At 1 April 2020	52,993
Share options	766
At 31 March 2021	<b>53,759</b>
Impairment in subsidiaries	(1,301)
Share options	3,834
At 30 September 2022	<b>56,292</b>
<b>Impairment</b>	
At 1 April 2020	13,560
Charge for the period	831
At 31 March 2021	<b>14,391</b>
At 30 September 2022	<b>14,391</b>
<b>Net book value</b>	
At 30 September 2022	<b>41,901</b>
At 31 March 2021	39,368

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 12. Financial assets

	2022	2021
	£000	£000
<b>Current</b>		
Listed equity securities - designated at FVTPL	2,209	1,874

The fair value of listed investments is determined by reference to quoted prices on active markets.

### 13. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	328	742

### 14. Trade and other payables

	2022	2021
	£000	£000
<b>Current</b>		
Amounts due to Group undertakings	9,383	7,510
Other payables	201	466
Investment in subsidiaries	9,584	7,976

### 15. Share capital

	Number shares £000	Ordinary shares £000	Share premium £000	Total £000
Authorised shares with a par value of 25p each	80,000	20,000	–	20,000
<b>Allotted and fully paid:</b>				
1 April 2020	52,110	13,028	5,196	18,224
Exercise of share options	6	1	11	12
31 March 2021	52,116	13,029	5,207	18,236
Exercise of share options	1,820	455	1,383	1,838
Share capital reduction	(84)	(21)	–	(21)
30 September 2022	53,852	13,463	6,590	20,053

# CHARLES STANLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

### 16. Reconciliation of net profit to net cash generated from operations

	For the 18 months ended 30 September 2022 £000	For the year ended 31 March 2021 £000
(Loss)/profit before tax	(1,197)	9,001
<i>Adjustments for:</i>		
Movements in intangible assets	3,417	900
Interest income	–	(3)
Dividend income	–	(10,222)
Profit/(loss) on disposal of financial assets	9	(100)
Impairment of investments in subsidiaries	1,301	831
Unrealised fair value gains/(losses) on financial assets	204	(288)
Capital reduction in bearer shares	–	–
Share-based payments – value of employee services	–	23
<i>Changes in working capital:</i>		
Increase in receivables	–	(30)
Increase/(decrease) in payables	1,626	(9,499)
Net cash used from operations	5,360	(9,387)

### 17. Contingent liabilities

The Company is exposed to the risk of legal matters which could give rise to the need to recognise provisions, or in the case they do not qualify for the recognition of a provision, to disclose contingent liabilities. At present there are no material contingent liabilities facing the Company.

### 18. Commitments

As at 30 September 2022, there was no capital expenditure authorised and contracted for (2021: £nil million).

### 19. Subsequent events

There were no material adjusting events prior to the date of signing this report.

### 20. Capital risk management

The Company's objectives when managing capital are determined by its subsidiary's Board and supported by the input of its committees. The Company meets its capital needs by equity financing. The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company must at all times monitor and demonstrate compliance with the regulatory capital requirements.



## CHARLES STANLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the 18-month period ended 30 September 2022

#### 21. Related party transactions

The Company financial statements include amounts attributable to subsidiaries. These amounts have been disclosed in aggregate in the relevant notes to the financial statements and are analysed below:

	2022	2021
	£000	£000
Charles Stanley & Co. Limited	9,383	7,216
Gryphon Investments Limited	–	294
	<b>9,383</b>	<b>7,510</b>

The principal transactions between the Company and its subsidiaries impacting on the income statement during the period were in respect of recharges for costs and tax amounts payable/receivable under the Group Payment Arrangement. The subsidiary companies, Gryphon Investments Limited and Myddleton Croft Limited were wound up and struck off during the period.

#### 22. Ultimate controlling party

The Company is an immediate subsidiary of Raymond James UK Wealth Management Holdings Limited, incorporated in Jersey. The Ultimate Parent Company, Raymond James Financial, Inc. prepares group consolidated financial statements and copies can be obtained from the registered office 880 Carillon Parkway, St. Petersburg, FL 33716 or are available online at [www.raymondjames.com/investor-relations](http://www.raymondjames.com/investor-relations).