Registered number: 02010520

EVELYN PARTNERS SECURITIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

EVELYN PARTNERS SECURITIES

COMPANY INFORMATION

Directors	A Baddeley E Chambers D Cobb P Deming C Grigg K Jones P Muelder C Pell C Stent K Wiklund C Woodhouse
Company secretary	G White
Registered number	02010520
Registered office	45 Gresham Street London EC2V 7BG
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor 30 Old Bailey London EC4M 7AU

EVELYN PARTNERS SECURITIES

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

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

Business review

Evelyn Partners Securities (the "Company") is a wholly owned subsidiary of Evelyn Partners (Holdings) Limited, which is a subsidiary of Evelyn Partners Group Limited, the parent company for which consolidated accounts are prepared (the "Group").

In June 2022, following rebranding of Tilney Smith & Williamson to Evelyn Partners, the name of Tilney Investment Management changed to Evelyn Partners Securities.

The Company's principal activities is the provision of investment management services and operation of a funded Defined Benefit pension plan.

The Company is authorised and regulated by the Financial Conduct Authority in the UK.

Turnover for the year decreased by 83.0% to £3,623,000 (2021 - £21,327,000) primarily driven by the transfer of clients to another Group subsidiary, Evelyn Partners Investment Management Services Limited. As a result, operating profit for the year decreased to £453,000 (2021 - £3,741,000). The operating profit margin, being operating profit as a percentage of gross profit, was 12.6% (2021 - 17.8%).

Principal risks and uncertainties

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

The Company is exposed to financial risk through the financial assets and liabilities that it has. The main areas of financial risk for the Company are:

- Market risk, being the risk that movements in financial markets will adversely impact income generated by the Company;
- Interest rate risk, being the potential for investment losses that result from a change in interest rates;
- Credit risk, being the risk that a counterparty will be unable to pay amounts in full when they fall due;
- Liquidity risk, being the risk that the Company cannot settle amounts as they become due;
- Regulatory risk, being the risk that changes in laws or regulations will materially impact an industry or business; and
- Competition and reputational risk, being the risk that the Company fails to meet the expectations of its stakeholders resulting in loss of clients

These areas are considered further below.

Market risk

Most of the Company's revenues are linked to the values of clients' investments so market risk resulting in a decrease in investment values will cause a reduction in revenue. For discretionary investment management clients, investment decisions are made by experienced investment managers within an asset allocation framework that is controlled by the Company's investment management team in conjunction with the wider Group's investment process. In addition, management and the Directors are provided with regular reporting of changes in asset values that are benchmarked against a range of indices and competitors. To mitigate this risk, the various economic scenarios are regularly analysed to model the impact of economic downturns on the Company's financial position.

Interest rate risk

The Company is exposed to interest rate risk through interest-bearing assets. The interest-bearing assets include only cash balances which earn interest at prevailing bank rates.

Credit risk

Credit risk represents the loss which the Company would incur if a customer or counterparty failed to perform its contractual obligations. This risk is well diversified so the Company has no significant exposure to credit risk. At the balance sheet date there were no significant concentrations of credit risk external to the Group. The exposure to credit risk is monitored on an ongoing basis. The credit risk on cash and cash equivalents is limited as our selected few counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance. The Company's cash flow needs are assessed on an ongoing basis to ensure liabilities can be met as they fall due.

Regulatory risk

The Company is subject to the extensive regulation applicable to financial services businesses. Changes in regulation could require additional capital to be raised or reduce profitability. Failure to comply with regulatory requirements could result in fines or other enforcement action. The Company monitors regulatory changes, assesses the impact any changes may have on the business and plans to ensure there is sufficient resource to implement those changes.

Competition and reputational risk

The Company operates in a competitive market and there is a risk that existing clients will leave or that the Company fails to gain new clients due to poor service, failure to respond to changes in the marketplace and the loss of reputation consequent on these failings or due to inadequate investment in distribution or the loss of key individuals. These risks are managed by the Company's continued investment in its people, a strong awareness of developments in its marketplace and ongoing enhancements to the services it offers.

Financial key performance indicators

Key performance indicators are discussed in the business review section of this report. Also, the Company is required to maintain sufficient regulatory capital resources to meet capital requirements with a satisfactory buffer being held. Performance against this key performance indicator is formally monitored on a monthly basis, with capital being maintained above minimum levels throughout the year.

Further information on key performance indicators can be found in the Evelyn Partners Group Limited's Annual Report and Financial Statements on pages 19 and 20, which does not form part of this report.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Corporate responsibility and environmental policy

The corporate responsibility and environmental policy applicable to the Company is set out in the Evelyn Partners Group Limited's Annual Report and Financial Statements on pages 38 to 44, which does not form part of this report.

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

A Baddeley
Director

Date: 29 March 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

The principal activities of the Company are set out in the Strategic Report. The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report. Details of the principal risks and uncertainties are included in the Strategic Report.

Directors

The Directors who served during the year, except where noted, were:

A Baddeley
E Chambers
D Cobb
P Deming
C Grigg
K Jones
F McNabb (resigned 18 November 2022)
P Muelder
C Pell
W Samuel (resigned 18 February 2022)
C Stent
K Wiklund (appointed 9 September 2022)
C Woodhouse

Indemnity

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

Results and dividends

The profit for the year, after taxation, amounted to £575,000 (2021 - £3,139,000).

During the year, the Company paid dividends of £3,500,000 (2021 - £nil). The Directors do not recommend payment of a final dividend.

Going concern

The Directors are required to satisfy themselves that it is reasonable to presume that the Company is a going concern. After reviewing the Company's performance projections for the period of at least 12 months from the date of issue of the financial statements, the Directors are satisfied that, in taking account of a range of stress tests which are deemed to be severe but plausible, the Company has adequate access to resources to enable the Company to meet its obligations and continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Independent auditor

Under s487(2) of the Companies Act 2006, Mazars LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Post balance sheet events

There have been no material post balance sheet events requiring disclosure prior to the date of signing this report.

Future outlook

The Directors have reviewed the business and consider the performance of the Company to be in line with expectations for the year. The Directors consider that the Company's position at the end of the period is consistent with the size and complexity of the business. The Directors are cautiously optimistic that the current levels of performance will be maintained in the medium-term.

Directors' responsibilities statement

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the United Kingdom, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

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

G White
Secretary

Date: 29 March 2023

45 Gresham Street
London
EC2V 7BG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVELYN PARTNERS SECURITIES

Opinion

We have audited the financial statements of Evelyn Partners Securities (the 'Company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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 "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVELYN PARTNERS SECURITIES

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.

Opinions 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 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 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVELYN PARTNERS SECURITIES

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: breaches of financial crime laws and regulations, anti-money laundering regulation and sanctions regime.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit;
- Considering the risk of acts by the Company, which were contrary to applicable laws and regulations, including fraud;
- Review of the compliance register, correspondence with regulators, including the legal regulator, the Financial Conduct Authority, and licensing authorities such as compliance with ICAEW requirements;
- Review reporting to the Group Risk and Audit Committee in respect of regulatory, compliance and legal matters;
- Review of internal audit reports, with particular focus on those with potential implications for the financial statements;
- Results of our enquiries of management, Internal Audit and the Group Risk and Audit Committee members about their own identification and assessment of the risks of irregularities, and whether they had knowledge of any actual, suspected or alleged fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates, in relation to the carrying amounts of assets and liabilities that are not readily apparent from other sources.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias in significant accounting estimates, in particular those involving fair values and impairment, and significant one-off or unusual transactions.

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

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected, or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team involving relevant internal specialists, such as accounting, tax and IT, regarding the risk of fraud, particularly how, why and where fraud might occur in the financial statements; and
- Addressing the risks of fraud through management override of controls by identifying and testing journal entries with particular risk characteristics.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVELYN PARTNERS SECURITIES

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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

Andrew Heffron

Andrew Heffron (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
London

Date: 30 March 2023

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	**3,623**	21,327
Cost of sales		**(35)**	(292)
Gross profit		**3,588**	21,035
Administrative expenses		**(3,135)**	(17,294)
Operating profit	5	**453**	3,741
Interest receivable and similar income	9	**220**	75
Interest payable and similar charges	10	**-**	(9)
Profit before tax		**673**	3,807
Taxation	11	**(98)**	(668)
Profit for the financial year		**575**	3,139

The notes on pages 15 to 33 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Profit for the financial year		**575**	3,139
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Net remeasurement of defined benefit asset	18	**(3,830)**	7,140
Movement of deferred tax relating to pension surplus/(deficit)	17	**958**	(1,787)
Other comprehensive (loss)/income for the financial year net of tax		**(2,872)**	5,353
Total comprehensive (loss)/income for the financial year		**(2,297)**	8,492

The notes on pages 15 to 33 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	13	**303**	458
Pension asset	18	**3,367**	7,110
Debtors: Amounts falling due after more than one year	14	**1,855**	1,925
		5,525	9,493
Current assets			
Debtors: Amounts falling due within one year	14	**8,675**	2,214
Cash and cash equivalents	15	**5,408**	17,477
		14,083	19,691
Creditors: Amounts falling due within one year	16	**(190)**	(2,982)
Net current assets		**13,893**	16,709
Total assets less current liabilities		**19,418**	26,202
Provisions for liabilities			
Deferred tax liabilities	17	**(649)**	(1,636)
Net assets		**18,769**	24,566
Capital and reserves			
Called up share capital	19	**12,304**	12,304
Profit and loss account		**6,465**	12,262
Total equity		**18,769**	24,566

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 29 March 2023.

A Baddeley
Director

The notes on pages 15 to 33 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	**12,304**	**3,770**	**16,074**
Comprehensive income for the financial year			
Profit for the financial year	-	3,139	3,139
Actuarial gains on pension scheme	-	5,353	5,353
Other comprehensive income for the financial year	-	5,353	5,353
Total comprehensive income for the financial year	-	8,492	8,492
At 31 December 2021	**12,304**	**12,262**	**24,566**
Comprehensive income for the financial year			
Profit for the financial year	-	575	575
Actuarial losses on pension scheme	-	(2,872)	(2,872)
Other comprehensive loss for the financial year	-	(2,872)	(2,872)
Total comprehensive loss for the financial year	-	(2,297)	(2,297)
Dividends paid	-	(3,500)	(3,500)
At 31 December 2022	**12,304**	**6,465**	**18,769**

The notes on pages 15 to 33 form part of these financial statements.

1. General information

Evelyn Partners Securities (the "Company") is a Company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The registered number is 02010520 and the address of the registered office is 45 Gresham Street, London, EC2V 7BG.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2. Significant accounting policies (continued)

2.3 Going concern

The Directors are required to satisfy themselves that it is reasonable to presume that the Company is a going concern. After reviewing the Company's performance projections for the period of at least 12 months from the date of issue of the financial statements, the Directors are satisfied that, in taking account of a range of stress tests which are deemed to be severe but plausible, the Company has adequate access to resources to enable the Company to meet its obligations and continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Discretionary investment management and advisory investment management fees

Discretionary investment management and advisory fees are recognised on a continuous basis over the period in which the related services are provided. The fair value of fees received or receivable is measured based on the contracted rates by client, the current market position and the client's assets under management.

Any commissions and distribution fees payable to third parties are presented as cost of sales.

2. Significant accounting policies (continued)

2.6 Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 Pensions

Defined benefit scheme

The Company participates in a defined benefit scheme. This scheme is closed to new members and further accrual. There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 Employee Benefits (Revised 2011), the Company recognises a cost equal to its contribution payable for the period, which is presented within administrative expenses in the Profit and Loss Account.

For a defined benefit retirement benefit scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with an actuarial valuation being carried out at the end of each reporting period. Re-measurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on scheme assets (excluding interest) are recognised immediately in the Balance Sheet with a charge or credit to the Statement of Comprehensive Income in the period in which they occur. Re-measurement recorded in the Profit and Loss Account is not recycled. Past service cost is recognised in profit or loss in the period of scheme amendment. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- current service cost, past-service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- re-measurement.

The Company presents current service cost, past service cost and settlements within administrative expenses in the Profit and Loss Account. Curtailments gains and losses are accounted for as past service cost.

Net interest expense or income is recognised within interest payable and similar charges.

The retirement benefit obligation recognised in the Balance Sheet represents the deficit or surplus in the Company's defined benefit scheme. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the scheme.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2. Significant accounting policies (continued)

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; 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 balance sheet date.

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

2.9 Tangible assets

Tangible 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Significant accounting policies (continued)

2.9 Tangible assets (continued)

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:

Fixtures and fittings	-	10% per annum 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.

2.10 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.

2.11 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.

2.12 Creditors

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

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

2.13 Financial instruments

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

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

Financial assets

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

2. Significant accounting policies (continued)

2.13 Financial instruments (continued)

Impairment of financial assets

The Company always recognises lifetime expected credit losses (ECL) for trade receivables and amounts due on contracts with customers. The ECL on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

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

2.14 Dividends

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimates that the Directors have made in the process of applying the Company's accounting policies. The judgements, apart from those involving estimation, are those that have the most significant effect on the amounts recognised in financial statements. The estimates are the assumptions made about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Accounting judgements

Defined benefit pension scheme asset recognition basis

Under IAS 19 the net defined benefit pension scheme asset that can be recognised is the lower of the surplus and the asset ceiling (i.e. the economic benefits available in the form of refunds or reductions in future contributions or a combination of both, in accordance with IFRIC 14 'IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'). Under the scheme's Trust Deeds and Rules the Company is able, without condition or restriction placed on it by the Trustees, to run the scheme until the last member dies, without benefits being augmented; wind up the scheme at that point; and reclaim any remaining monies. Consequently, the Company recognises the full surplus calculated in accordance with IAS 19 and IFRIC 14.

Accounting estimates

Defined benefit pension scheme

The calculation of the present value of the retirement benefits scheme is determined by using actuarial valuations. Management makes key assumptions in determining the inputs into the actuarial valuations, which may differ from actual experience in the future. These assumptions are governed by IAS 19 Employee Benefits, and include the determination of the discount rate, life expectancies, inflation rates and future salary increases. Due to the complexities in the valuation, the defined benefit pension scheme obligation is highly sensitive to changes in these assumptions. The detailed assumptions, including a sensitivity analysis, are set out in note 18.

The retirement benefit scheme has a net surplus of £3,367,000 at the balance sheet date (2021- £7,110,000). See note 18 'Pension asset' for further detail.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£000	£000
Discretionary investment management	**3,348**	19,344
Advisory investment management	**275**	1,983
	3,623	21,327

All turnover arose within the United Kingdom.

5. Operating profit

Operating profit for the year has been arrived at after charging/(crediting):

	2022	2021
	£000	£000
Depreciation of tangible assets (see note 13)	**140**	140
Exchange differences	**(23)**	-
Auditor's remuneration (see note 6)	**27**	24

6. Auditor's remuneration

	2022	2021
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**27**	24

Audit fees were paid and borne by Evelyn Partners Services Limited, another company within the Group.

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

7. Staff costs

Staff costs were paid and borne by Evelyn Partners Services Limited. Evelyn Partners Services Limited allocated a portion of its salary and administrative costs to the Company based upon the proportion of revenue generated by the Company and the other operating subsidiaries within the Group.

8. Directors' remuneration

	2022	2021
	£000	£000
Salaries and other emoluments	**2,308**	4,264
Pension scheme contributions	**-**	-
	2,308	4,264

8. Directors' remuneration (continued)

	2022 £000	2021 £000
The highest paid Director received the following remuneration:		
Salaries and other emoluments	**965**	1,286
Pension scheme contributions	**-**	-
	965	1,286

Total emoluments include fees paid to Non-Executive Directors. Certain Executive Directors are also Directors of other group companies. It is not practicable to allocate their total remuneration between their services as executives to this company or other group companies, and no such allocation has been attempted. The remuneration shown above therefore includes amounts paid to the Company's directors by all group companies.

9. Interest receivable and similar income

	2022 £000	2021 £000
Net interest receivable on pension asset	**129**	-
Other interest receivable	**91**	75
	220	75

Net interest receivable relating to the defined benefit pension plan is recognised as interest income.

10. Interest payable and similar charges

	2022 £000	2021 £000
Other interest payable	**-**	7
Net interest payable on pension asset	**-**	2
	-	9

Net interest payable relating to the defined benefit pension plan is recognised as interest expense.

11. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	**115**	683
Adjustments in respect of prior years	**12**	-
Total current tax	**127**	683
Deferred tax		
Origination and reversal of timing differences	**12**	(15)
Changes to tax rates	**4**	-
Adjustment in respect of prior years	**(45)**	-
Total deferred tax	**(29)**	(15)
Taxation on profit on ordinary activities	**98**	668

Factors affecting tax charge for the year

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

	2022 £000	2021 £000
Profit on ordinary activities before tax	**673**	3,807
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**128**	723
Effects of:		
Non-deductible expenses	**(1)**	(55)
Adjustments to tax charge in respect of prior years	**(33)**	-
Adjustment in respect of rate change	**4**	-
Total tax charge for the year	**98**	668

11. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced in the Budget that the main rate of UK Corporation Tax for large companies will rise from 19% to 25% with effect from 1 April 2023. This announcement impacts the rate at which deferred tax balances reversing on or after that date are recognised in the financial statements. The rate change was legislated for in the Finance Act 2021 which was substantively enacted on 24 May 2021.

12. Dividends

	2022 £000	2021 £000
Amounts recognised as dividends to equity holders in the year	**3,500**	-

The Directors do not recommend the payment of a final dividend (2021 - £nil).

13. Tangible assets

	Fixtures and fittings £000
Cost	
At 1 January 2022	**1,406**
Other movement	**(15)**
At 31 December 2022	**1,391**
Depreciation	
At 1 January 2022	**948**
Charge for the year	**140**
At 31 December 2022	**1,088**
Net book value	
At 31 December 2022	**303**
At 31 December 2021	458

14. Debtors

	2022	2021
	£000	£000
Amounts falling due after more than one year		
Loans to third parties	**1,855**	1,925

The fair value of loans to third parties is not materially different to the carrying amount. Loans to third parties have interest rates ranging from 2.5% to 4% and are repayable within 3 years.

	2022	2021
	£000	£000
Amounts falling due within one year		
Receivables from contracts with customers	**236**	685
Amounts owed by group undertakings	**7,717**	12
Other debtors	**328**	328
Prepayments and accrued income	**394**	1,189
	8,675	2,214

15. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and short term deposits	**5,408**	17,477

16. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Amounts owed to group undertakings	**76**	2,454
Corporation tax	**114**	-
Other taxation and social security	**-**	521
Accruals and deferred income	**-**	7
	190	2,982

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17. Deferred tax liabilities

	2022 £000	2021 £000
At 1 January	**(1,636)**	136
Charged to profit or loss	**29**	15
Charged to other comprehensive income	**958**	(1,787)
At 31 December	**(649)**	(1,636)

The provision for deferred taxation is made up as follows:

	2022 £000	2021 £000
Decelerated capital allowances	**193**	141
Pensions and other post-retirement benefits	**(842)**	(1,777)
	(649)	(1,636)

It is expected that the Company will be able to claim capital allowances in future years and obtain benefit for these allowances by offset against taxable profits of the Company, or indirectly by offset against taxable profits of other companies within the group. Therefore, a deferred tax asset of £193,000 (2021-£141,000) has been recognised on decelerated capital allowances.

18. Pension asset

The Company operates a final salary defined benefit pension scheme in the UK (the "Tilney Scheme"). The Tilney Scheme is an HMRC registered pension scheme and is subject to standard UK pensions and tax law. Details of the benefits provided by the Tilney Scheme are set out in the Trust Deed and Rules dated 18 March 2011.

The disclosures in these accounts below are based on calculations carried out as at 31 December 2022 by a qualified independent actuary.

The Tilney Scheme's assets are held in a separate trustee-administered fund to meet long term pension liabilities to beneficiaries. The Trustees of the Pension Fund are required to act in the best interest of the beneficiaries. The appointment of Trustees is determined by the trust documentation.

The Trustees of the Tilney Scheme invest the assets in line with the Statement of Investment Principles. The Statement of Investment Principles has been established taking into consideration the liabilities of the Tilney Scheme and the investment risk that the Trustees are willing to accept.

18. Pension asset (continued)

Under the Scheme Funding regime introduced by the Pensions Act 2004, the Trustees are required to carry out regular scheme funding valuations of the Tilney Scheme and establish a schedule of contributions and a recovery plan when there is a shortfall in the Tilney Scheme. The recovery plan details the amount and timing of the contributions required to eliminate the shortfall in the Tilney Scheme. Scheme funding valuations are carried out at least every three years. Approximate funding updates are produced annually in years where a full scheme funding valuation is not being completed.

At each scheme funding valuation, the present value of the contributions detailed in the current recovery plan is compared with any shortfall revealed. Where the contributions under the current recovery plan are no longer sufficient to remove the shortfall by the end of period specified in the recovery plan a new recovery plan will need to be agreed between the Trustees and the Company. Options include increasing contributions due from the employer, extending the recovery period with additional contributions paid after the expiry of the current recovery period or some combination of the two. The affordability to the employer of any increase in contributions is a primary factor in the agreement of any new recovery plan. Where the contributions are more than sufficient to remove the shortfall by the end of the recovery period, options include reducing contributions due, keeping the recovery period the same, or shortening the recovery period.

As at 31 December 2022, contributions are payable to the Tilney Scheme at the rates specified in the Schedule of Contributions signed by the Company and the Trustees on 28 March 2018. Contributions for 2022 amounted to £43,000 (2021 - £55,000).

The defined benefit pension scheme exposes the Company to actuarial risks, such as longevity risk, interest rate risk, salary risk, market risk and currency risk.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	2022	2021
	%	%
Rate of increase in salaries	**3.2**	3.4
Discount rate	**4.9**	1.9
RPI inflation	**3.2**	3.4
CPI Inflation	**2.4**	2.6
Pension increase assumption - RPI capped at 5% p.a.	**3.1**	3.2

The assumed life expectancy for the membership of the Tilney Scheme was based upon the standard tables known as S3PxA CMI 2021 with an IAMI of 0.5% per annum and a long-term rate of improvement of 1.25% per annum. In 2021, assumptions were based upon the standard tables known as S3PxA CMI 2020 with an IAMI of 0.5% per annum and a long-term rate of improvement of 1.25% per annum.

The life expectancy for a current 65 year old male is 22 years (2021 - 22 years) and a 65 year old female is 25 years (2021 - 25 years).

18. **Pension asset (continued)**

Amounts recognised in the Balance Sheet are as follows:

	2022	2021
	£000	£000
Fair value of scheme assets:		
Equities and property	**5,293**	21,183
Bonds	**12,323**	14,448
Other assets	**20,815**	26,216
Cash	**1,066**	3,530
	39,497	65,377
Present value of defined benefit obligations	**(36,130)**	(58,267)
Surplus before consideration of asset ceiling	**3,367**	7,110
Asset recognised in Balance Sheet	**3,367**	7,110

The changes in the present value of defined benefit obligations are as follows:

	2022	2021
	£000	£000
At 1 January	**58,267**	62,320
Current service cost	**85**	111
Interest on funded obligation	**1,066**	774
Actuarial gains arising from financials	**(22,985)**	(2,920)
Actuarial losses/(gains) arising from demographics	**98**	(605)
Actuarial losses/(gains) arising from experience	**1,390**	(58)
Employee contribution	**10**	12
Benefits paid	**(1,801)**	(1,367)
At 31 December	**36,130**	58,267

18. *Pension asset (continued)*

The changes in the fair value of scheme assets are as follows:

	2022 £000	2021 £000
At 1 January	**65,377**	62,348
Remeasurement of defined benefit assets: interest income	**1,195**	772
Remeasurement of defined benefit assets: return on scheme asset	**(25,327)**	3,557
Employer contribution	**43**	55
Employee contribution	**10**	12
Benefits paid	**(1,801)**	(1,367)
At 31 December	**39,497**	65,377

The plan assets do not include any of the Company's own financial instruments, nor any property occupied by, or other assets used by, the Company.

All equity and debt instruments have quoted prices in active markets.

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The amounts included in the Profit and Loss Account, within operating expenses, are as follows:

	2022 £000	2021 £000
Current service cost	**85**	111

The amounts included in the Statement of Comprehensive Income are as follows:

	2022 £000	2021 £000
Remeasurement loss/(gain) during the year	**3,830**	(7,140)
Net remeasurement of defined benefit assets before tax	**3,830**	(7,140)
Deferred tax on actuarial reserve	**(958)**	1,787
Actuarial loss/(gain)	**2,872**	(5,353)

18. Pension asset (continued)

It is currently estimated that the sponsoring employers of the defined benefit schemes will contribute approximately £nil (2021 - £nil) to the schemes in the coming year.

The two key assumptions affecting the results of the valuation are the discount rate and inflation. In order to demonstrate the sensitivity of the results to these assumptions, the actuary has recalculated the defined benefit obligations for each scheme by varying each of these assumptions in isolation whilst leaving the other assumptions unchanged. For example, in order to demonstrate the sensitivity of the results to the discount rate, the actuary has recalculated the defined benefit obligations for each scheme using a discount rate that is 0.25% higher than used for calculating the disclosed figures. A similar approach has been taken to demonstrate the sensitivity of the results to inflation.

At 31 December 2022, the summary of the sensitivities in respect of the scheme is set out below as follows:

	Assets	**Liabilities**	**Surplus**	**Increase/ (decrease) in surplus**
	£000	**£000**	**£000**	**£000**
Effect of change in assumptions				
No change	**39,497**	**36,130**	**3,367**	**-**
0.25% rise in discount rate	**39,497**	**34,896**	**4,601**	**1,234**
0.25% fall in discount rate	**39,497**	**37,436**	**2,061**	**(1,306)**
0.25% rise in inflation	**39,497**	**37,168**	**2,329**	**(1,038)**
0.25% fall in inflation	**39,497**	**35,113**	**4,384**	**1,017**

At 31 December 2021, the summary of the sensitivities in respect of the scheme is set out below as follows:

	Assets	Liabilities	Surplus	Increase/ (decrease) in surplus
	£000	£000	£000	£000
Effect of change in assumptions				
No change	65,377	(58,267)	7,110	-
0.25% rise in discount rate	65,377	(55,710)	9,667	2,557
0.25% fall in discount rate	65,377	(60,999)	4,378	(2,732)
0.25% rise in inflation	65,377	(60,374)	5,003	(2,107)
0.25% fall in inflation	65,377	(56,225)	9,152	2,042

Funding arrangements

The trustees use the projected unit funding method to fund the scheme. The last full triennial actuarial valuation was undertaken as at 1 January 2020. No contributions are currently required from the employer.

18. Pension asset (continued)

The main risks for the schemes are:

Investment return risk

If the assets underperform the returns assumed in setting the funding targets then additional contributions may be required at subsequent valuations.

Investment match risk

The schemes invest in equities, whereas the funding targets are closely related to the returns on bonds. If equities fall in value relative to the matching asset of bonds, additional contributions may be required.

Longevity risk

If future improvements in longevity exceed the assumptions made for scheme funding, then additional contributions may be required.

19. Called up share capital

	2022 £000	2021 £000
Issued, allotted, called up and fully paid		
12,304,000 (2021 - 12,304,000) Ordinary shares of £1.00 each	**12,304**	12,304

20. Contingent liabilities

The Company is from time to time involved in legal actions that are incidental to its operations. Currently the Company is not involved in any legal actions that would materially affect the financial position or performance of the Company.

21. Related party transactions

The Company has taken advantage of the exemption in FRS 101 "Reduced Disclosures Framework" from the requirement to disclose transactions with group companies on the grounds that it is 100% owned by Evelyn Partners Group Limited.

22. Post balance sheet events

There have been no material post balance sheet events requiring disclosure prior to the date of signing this report.

23. Controlling party

As at 31 December 2022, the Company's immediate parent undertaking is Evelyn Partners (Holdings) Limited, a company incorporated in the United Kingdom.

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

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

Evelyn Partners Group Limited is the parent undertaking of the smallest group for which consolidated financial statements are prepared. The registered address for Evelyn Partners Group Limited is 45 Gresham Street, London, EC2V 7BG. Copies of the group accounts of that company are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.