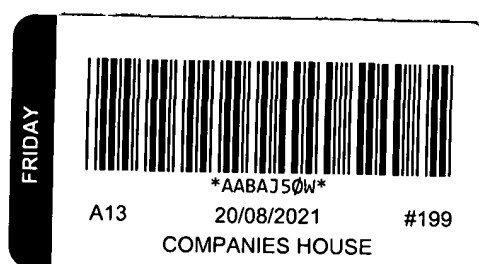


SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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



SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

COMPANY INFORMATION

Directors	A Baddeley (appointed 30 September 2020) E Chambers D Cobb P Deming (appointed 1 September 2020) K Jones B McNabb (appointed 15 January 2021) P Muelder (appointed 1 September 2020) C Pell (appointed 1 September 2020) W Samuel (appointed 30 September 2020) C Stent K Stopps C Woodhouse (appointed 1 September 2020)
Company secretary	D Saunders
Registered number	03133226
Registered office	25 Moorgate London EC2R 6AY
Independent auditors	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katherine's Way London E1W 1DD

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

Introduction

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

Business review

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

The principal activities of the company are the provision of pensions, insurance and investment advice and services.

The company is regulated by the Financial Conduct Authority.

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

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

Turnover for the period was £7,198,000 (year ended 30 April 2020: £10,221,000) whilst profit before tax was £931,000 (year ended April 2020: £513,000 loss). An increase in operating expenses such as professional indemnity provisions, FCA charges and other professional fees contributed to the loss of the company in the previous year.

Taxation for the period was a tax charge of £176,000 (year ended 30 April 2020: £90,000 credit) due to the profit made during the period. A full reconciliation is set out in note 9.

At 31 December 2020, the company had net assets of £4,217,000 (30 April 2020: £3,462,000).

Principal risks and uncertainties

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

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

Credit risk

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

In addition to the financial risks, the company is exposed to the following business and operational risks:

Competition and reputational risk

The company operates in a competitive market and there is a risk that existing clients will leave or that we fail 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 marketing or 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.

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

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.

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 period.

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

Corporate responsibility and environmental policy

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

Section 172 statement

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

Going concern

The 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, 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 it to meet its obligations and continue in operational existence for the foreseeable future.

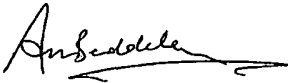
In forming this view, the directors have considered the impact of the emergence and spread of COVID-19, such as government-imposed lockdowns and restrictions, and the potential implications on the future of the company. It is the view of the directors that the business is able to remain in operation for the foreseeable future as the company has been able to move almost all staff to a remote working model. This has meant that the company is continuing to provide the same level of support and proactive service to clients to which they are accustomed and will be able to do so for a prolonged period.

Therefore, in the view of the directors, despite the global economic impact of COVID-19, the pandemic will not significantly impact the liquidity of the company over the next 12 months. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

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



A Baddeley
Director

Date: 22 April 2021

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

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

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 period, except where noted, were:

A Baddeley (appointed 30 September 2020)
E Chambers
D Cobb
P Deming (appointed 1 September 2020)
P Fernandes (resigned 1 September 2020)
A Fisher (resigned 1 September 2020)
B Goldring (resigned 1 September 2020)
G Hotson (resigned 30 September 2020)
K Jones
P Muelder (appointed 1 September 2020)
C Pell (appointed 1 September 2020)
W Samuel (appointed 30 September 2020)
C Stent
K Stopps
A Sykes (resigned 30 September 2020)
C Woodhouse (appointed 1 September 2020)

Results and dividends

The profit for the period, after taxation, amounted to £755,000 (year ended 30 April 2020: loss £423,000).

No dividends were paid during the period (year ended 30 April 2020: £nil). The directors do not recommend the payment of a final dividend.

Indemnity

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

Post balance sheet events

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

Future outlook

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

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

Directors' responsibilities statement

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

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

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

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

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

Disclosure of information to auditors

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

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

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



D Saunders
Secretary

Date: 22 April 2021

25 Moorgate
London
EC2R 6AY

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

Opinion

We have audited the financial statements of Smith & Williamson Financial Services Limited (the 'company') for the 8-month period ended 31 December 2020 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the 8-month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 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.

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

Auditor's responsibilities for the audit of the financial statements

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

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 our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
London

26 April 2021

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

	Note	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Turnover	4	7,198	10,221
Cost of sales		(1)	(148)
Gross profit		<u>7,197</u>	<u>10,073</u>
Administrative expenses		(6,266)	(10,592)
Operating profit/(loss)	5	<u>931</u>	<u>(519)</u>
Interest income	8	-	6
Profit/(loss) before tax		<u>931</u>	<u>(513)</u>
Taxation	9	(176)	90
Profit/(loss) for the period/year		<u><u>755</u></u>	<u><u>(423)</u></u>
Total comprehensive income/(loss) for the period/year		<u><u>755</u></u>	<u><u>(423)</u></u>

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

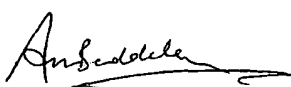
The notes on pages 12 to 22 form part of these financial statements.

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED
REGISTERED NUMBER:03133226

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £000	30 April 2020 £000
Fixed assets			
Deferred taxation	13	29	-
		<u>29</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	10	3,382	2,886
Cash and cash equivalents	11	3,109	3,298
		<u>6,491</u>	<u>6,184</u>
Creditors: amounts falling due within one year	12	(2,137)	(2,306)
Net current assets		<u>4,354</u>	<u>3,878</u>
Total assets less current liabilities		<u>4,383</u>	<u>3,878</u>
Provisions for liabilities			
Provisions	14	(166)	(416)
		<u>(166)</u>	<u>(416)</u>
Net assets		<u>4,217</u>	<u>3,462</u>
Capital and reserves			
Called up share capital	15	600	600
Profit and loss account		3,617	2,862
Total equity		<u>4,217</u>	<u>3,462</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 April 2021.



A Baddeley
Director

The notes on pages 12 to 22 form part of these financial statements.

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 May 2019	600	3,285	3,885
Comprehensive loss for the year			
Loss for the year	-	(423)	(423)
Total comprehensive loss for the year	-	(423)	(423)
At 30 April 2020	600	2,862	3,462
Comprehensive income for the period			
Profit for the period	-	755	755
Total comprehensive income for the period	-	755	755
At 31 December 2020	600	3,617	4,217

The notes on pages 12 to 22 form part of these financial statements.

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

1. General information

Smith & Williamson Financial Services Limited is a company incorporated and domiciled in the United Kingdom. The registered number is 03133226 and the registered office address is 25 Moorgate, London, EC2R 6AY.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of 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
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. 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, 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 it to meet its obligations and continue in operational existence for the foreseeable future.

In forming this view, the directors have considered the impact of the emergence and spread of COVID-19, such as government-imposed lockdowns and restrictions, and the potential implications on the future of the company. It is the view of the directors that the business is able to remain in operation for the foreseeable future as the company has been able to move almost all staff to a remote working model. This has meant that the company is continuing to provide the same level of support and proactive service to clients to which they are accustomed and will be able to do so for a prolonged period.

Therefore, in the view of the directors, despite the global economic impact of COVID-19, the pandemic will not significantly impact the liquidity of the company over the next 12 months. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable. The point at which revenue is recognised is described below.

Turnover represents fee income, advisory fees, commissions and net trading income/expense.

Fee income

Income recognition occurs in the period in which services are rendered by reference to the services performed to date compared to the total services performed.

The fair value of the consideration received or receivable is based on the contractual terms of the engagement, usually determined by an individual's hours worked at an appropriate charge out rate. Income represents amounts recoverable from clients for professional services provided during the year. The company recognises revenue when it transfers control over the service to a client.

Income in respect of contingent fee assignments is only recognised when the contingent event occurs. Unbilled income on individual client assignments is included as accrued income within prepayments, accrued income and other receivables. Where individual on-account billings exceed revenue on client assignments, the excess is classified as fees in advance within accruals, deferred income, provisions and other payables.

Advisory fees

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 and the current market position.

Fees in respect of contingent fee assignments are only recognised to the extent that the contingent events have occurred.

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

2. Accounting policies (continued)

Commissions

Commission charges for executing transactions on behalf of clients are recognised when we have fulfilled our obligations to the client in respect of the transaction. The fair value of the commission received or receivable is measured based on the contractual commission rate.

Net trading income/expense

Net trading income/expense comprises net dealing profits earned on transactions entered into with the market at the request of clients.

2.5 Interest income

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

2.6 Current and deferred taxation

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

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

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

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

2.7 Debtors

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

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

2. Accounting policies (continued)

2.8 Cash and cash equivalents

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

2.9 Creditors

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

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

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.11 Financial instruments

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

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

Financial assets

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

Debt instruments at amortised cost

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

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

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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.

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. In making these estimates and judgements, the impact of COVID-19 has been considered and, where appropriate, additional disclosures have been made.

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 estimates that the directors have made in the process of applying the company's accounting policies. 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.

Accounting estimates

Accrued income

Accrued income and work billed are recognised as income when there is a right to consideration and the outcome can be estimated reliably. This methodology is subject to significant estimation uncertainty due to the subjective nature of assessing both the stage of completion and recoverability of accrued income and different estimations could materially affect the reported value of accrued income. The review of the stage of completion and recoverability of accrued income is undertaken by the relevant director on a client by client basis. To minimise the estimation uncertainty risk a detailed year-end review is undertaken at portfolio level to ensure consistency with company policy. The amount of accrued income at the balance sheet date was £841,000 (30 April 2020: £672,000) (note 10).

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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4. Turnover

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

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Fee and commission income	7,198	10,221
	<u>7,198</u>	<u>10,221</u>

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Auditors' remuneration	23	23
	<u>23</u>	<u>23</u>

6. Auditors' remuneration

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	23	23
	<u>23</u>	<u>23</u>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Directors' remuneration

During the period ended 31 December 2020, the directors received total remuneration of £1,612,000 (year ended 30 April 2020: £4,378,000) which relates to salaries and other emoluments. There were no pension scheme contributions in the current and prior periods. The highest paid director received total emoluments of £371,000 (year ended 30 April 2020: £1,218,000).

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.

8. Interest income

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Other interest income	-	6
	<u>-</u>	<u>6</u>
	<u>-</u>	<u>6</u>

9. Taxation

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Corporation tax		
Current tax on profits for the period/year	177	(90)
Adjustments in respect of previous periods	28	-
Total current tax	<u>205</u>	<u>(90)</u>
Deferred tax		
Origination and reversal of timing differences	(29)	-
Total deferred tax	<u>(29)</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>176</u>	<u>(90)</u>

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

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

9. Taxation (continued)

Factors affecting tax charge for the period/year

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

	period ended 31 December 2020 £000	year ended 30 April 2020 £000
Profit/(loss) on ordinary activities before tax	931	(513)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (year ended 30 April 2020 : 19%)	177	(97)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	13
Capital allowances for period/year in excess of depreciation	-	(6)
Adjustments to tax charge in respect of prior periods	(1)	-
Total tax charge/(credit) for the period/year	176	(90)

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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10. Debtors: amounts falling due within one year

	31 December 2020 £000	30 April 2020 £000
Receivables from contracts with customers (net)	1,676	1,373
Amounts owed by group undertakings	865	612
Accrued income	841	672
Tax recoverable	-	229
	<u>3,382</u>	<u>2,886</u>

11. Cash and cash equivalents

	31 December 2020 £000	30 April 2020 £000
Cash at bank	3,109	3,298
	<u>3,109</u>	<u>3,298</u>

12. Creditors: amounts falling due within one year

	31 December 2020 £000	30 April 2020 £000
Amounts owed to group undertakings	12	-
Corporation tax	115	-
Other taxation and social security	313	399
Other creditors	28	8
Accruals and deferred income	1,669	1,899
	<u>2,137</u>	<u>2,306</u>

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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13. Deferred taxation

	£000
Charged to profit or loss	29
At 31 December 2020	29

The deferred tax balance is made up as follows:

	31 December 2020 £000	30 April 2020 £000
Other temporary differences	29	-
	29	-

14. Provisions

	Professional indemnity provision £000
At 1 May 2020	416
Release of unutilised provision	(82)
Utilised in period	(168)
At 31 December 2020	166

SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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15. Share capital

	31 December 2020 £000	30 April 2020 £000
Authorised		
1,000,000 (30 April 2020: 1,000,000) Ordinary shares £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
600,002 (30 April 2020: 600,002) Ordinary shares £1 each	<u>600</u>	<u>600</u>

16. Related party transactions

The company has taken advantage of the exemption given by FRS 101 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

17. Post balance sheet events

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

18. Controlling party

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

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

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

Tilney Smith & Williamson Limited is the parent undertaking of the smallest group for which consolidated financial statements are produced. The registered address for Tilney Smith & Williamson Limited is 6 Chesterfield Gardens, Mayfair, London, W1J 5BQ. Copies of the group accounts of that company are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.