

COMPANY REGISTRATION NUMBER: 05883908

**CDC Wealth Management Limited**  
**Financial Statements**  
**For the year ended**  
**31 December 2022**



**DIXON WILSON AUDIT SERVICES LLP**  
Chartered Accountants & statutory auditor  
Chartered Accountants  
22 Chancery Lane  
London  
WC2A 1LS

# **CDC Wealth Management Limited**

## **Financial Statements**

**Year ended 31 December 2022**

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# **CDC Wealth Management Limited**

## **Officers and Professional Advisers**

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**The board of directors**

Mr J G Dixon  
Mr P D G Cain  
Mr A Mann  
Mrs S B Butterworth  
Mr A S Fay  
Mr A J V Gillingham

**Business address**

North East Business & Innovation Centre  
Wearfield  
Enterprise Park East  
Sunderland  
Tyne and Wear  
SR5 2TA

**Registered office**

22 Cross Keys Close  
London  
W1U 2DW

**Auditor**

Dixon Wilson Audit Services LLP  
Chartered Accountants & statutory auditor  
Chartered Accountants  
22 Chancery Lane  
London  
WC2A 1LS

**Bankers**

Handelsbanken  
43 Old Elvet  
Durham  
DH1 3HN

# **CDC Wealth Management Limited**

## **Strategic Report**

**Year ended 31 December 2022**

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The directors present their strategic report for the year ended 31 December 2022.

### **Principal activities**

CDC Wealth Management Limited is a wealth management company serving private individuals, families, trusts and companies across the UK. With an office in Sunderland, CDC Wealth Management Limited combines financial advice and planning, with discretionary investment management, to provide a comprehensive wealth management service.

### **Review of business**

As a result of the economic climate there has been a relative decrease in turnover in the year to £1,159,212 (compared to £908,851 over a 9 month period to 31 December 2021). Retained earnings increased to £638,373 at 31 December 2022 (2021: £540,244).

On 14 March 2022, the entire share capital of CDC Wealth Management Limited's parent company, CDC Wealth Management Holdings Limited, was acquired by Duke DFM Holdco Limited, an intermediate parent company of Duke 2021 Topco Limited, known as Verso Wealth Management ("Verso"). The directors of CDC Wealth Management Limited are pleased to be a part of the Verso group with a strategy to build a market leading, national wealth management group.

CDC Wealth Management Limited believes in investing in its people. Staff retention remains high and the directors run their business to retain their current team and also to attract high calibre individuals.

### **Key Performance Indicators:**

Net profit before tax percentage: 2022: 39.9%; 2021: 37.4%

Current ratio: 2022: 7.79 2021: 5.97

### **Forward Outlook**

The directors are optimistic about the future and are hoping for a great year in the Verso group.

# **CDC Wealth Management Limited**

## **Strategic Report** *(continued)*

**Year ended 31 December 2022**

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### **Financial risk management objectives and policies**

The company finances its operations through retained profits.

The management's objectives are to:

- retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due whilst maximising returns on surplus funds; and
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings.

As all of the company's surplus funds are invested in sterling bank accounts, we believe there is no price risk.

All normal banking arrangements are with Handelsbanken and we believe our choice of bank minimises any credit risk.

### **Principal risk and uncertainties**

As for many companies of our size, the business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control. However, we will continue to show flexibility and respond to market conditions and opportunities as they arise. Management also reviews these risks and appropriate processes are put in place to monitor and mitigate them. The key business risks affecting the group are set out below.

#### **Credit risk**

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

The company's principal financial assets are bank balances and cash, trade and other debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because of the extensive customer database.

#### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the company primarily uses its available cash in the bank.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate with its current working capital and will not require, in the short to medium term, any additional bank borrowings.

# **CDC Wealth Management Limited**

## **Strategic Report** *(continued)*

**Year ended 31 December 2022**

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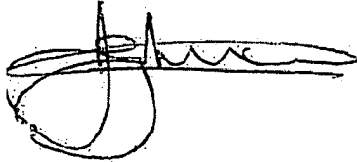
### **Competition**

The competition consists of numerous companies operating in the same sector both in the local area plus further afield. There is always a threat of losing customer orders, primarily on price, however by providing a customer focused service plus a quality service, we strive to keep this threat to a minimum.

### **Section 172(1) statement**

The directors have complied with their duty under s172 CA2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. The manner in which they have had regard to the matters set out in s172(1)(a) to (f) are set out in the business review above.

This report was approved by the board of directors on 26 September 2023 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'J G Dixon', with a large, stylized loop at the end.

Mr J G Dixon  
Director

# **CDC Wealth Management Limited**

## **Directors' Report**

**Year ended 31 December 2022**

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The directors present their report and the financial statements of the company for the year ended 31 December 2022.

### **Directors**

The directors who served the company during the year were as follows:

Mr J G Dixon

Mr P D G Cain

Mr A Mann

Mrs S B Butterworth

Mr A S Fay

(Appointed 14 March 2022)

Mr A J V Gillingham

(Appointed 14 March 2022)

### **Dividends**

Particulars of recommended dividends are detailed in note 10 to the financial statements.

### **Disclosure of information in the strategic report**

Please refer to the strategic report on pages 2 to 4 of these financial statements for details of the company's principal activities, business review and the financial risk management objectives and policies.

### **Directors' responsibilities statement**

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

# CDC Wealth Management Limited

## Directors' Report *(continued)*

Year ended 31 December 2022

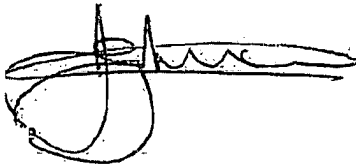
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### Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 26 September 2023 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'J G Dixon', written over a horizontal line.

Mr J G Dixon  
Director

# **CDC Wealth Management Limited**

## **Independent Auditor's Report to the Members of CDC Wealth Management Limited**

**Year ended 31 December 2022**

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### **Opinion**

We have audited the financial statements of CDC Wealth Management Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

# **CDC Wealth Management Limited**

## **Independent Auditor's Report to the Members of CDC Wealth Management Limited** *(continued)*

**Year ended 31 December 2022**

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### **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. 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.

### **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 period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

# **CDC Wealth Management Limited**

## **Independent Auditor's Report to the Members of CDC Wealth Management Limited** *(continued)*

**Year ended 31 December 2022**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company by considering, amongst other things, the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, UK Company Law UK tax legislation and FCA regulations.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# **CDC Wealth Management Limited**

## **Independent Auditor's Report to the Members of CDC Wealth Management Limited** *(continued)*

**Year ended 31 December 2022**

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### **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.



Steven Wakefield (Senior Statutory Auditor)

For and on behalf of  
Dixon Wilson Audit Services LLP  
Chartered Accountants & statutory auditor  
Chartered Accountants  
22 Chancery Lane  
London  
WC2A 1LS

Dated: 26 September 2023

**CDC Wealth Management Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 December 2022**

|   |               | Year to<br>31 Dec 22<br>£ | Period from<br>1 Apr 21 to<br>31 Dec 21<br>£ |
|---|---------------|---------------------------|--|
| <b>Turnover</b>   | <b>Note 4</b> | 1,159,212                 | 908,851                                      |
| Cost of sales   |               | (73,750)                  | (37,408)                                     |
| <b>Gross profit</b>   |               | 1,085,462                 | 871,443                                      |
| Administrative expenses   |               | (622,510)                 | (531,124)                                    |
| <b>Operating profit</b>   | <b>5</b>      | 462,952                   | 340,319                                      |
| <b>Profit before taxation</b>                                       |               | 462,952                   | 340,319                                      |
| Tax on profit   | <b>9</b>      | (17,393)                  | (68,022)                                     |
| <b>Profit for the financial year and total comprehensive income</b> |               | 445,559                   | 272,297                                      |
| Dividends paid and payable  | <b>10</b>     | (347,430)                 | (226,335)                                    |
| <b>Retained earnings at the start of the year</b>                   |               | 540,244                   | 494,282                                      |
| <b>Retained earnings at the end of the year</b>                     |               | 638,373                   | 540,244                                      |

All the activities of the company are from continuing operations.

The notes on pages 14 to 22 form part of these financial statements.

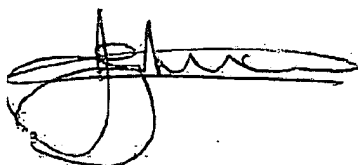
# CDC Wealth Management Limited

## Statement of Financial Position

31 December 2022

|   | Note | 2022<br>£       | £              | 2021<br>£        |
|---|------|-----------------|----------------|------------------|
| <b>Fixed assets</b>                                   |      |                 |                |                  |
| Tangible assets                                       | 11   |                 | 1,752          | 2,652            |
| <b>Current assets</b>                                 |      |                 |                |                  |
| Debtors   | 12   | 371,127         |                | 112,965          |
| Cash at bank and in hand                              |      | <u>360,044</u>  |                | <u>533,939</u>   |
|   |      | 731,171         |                | 646,904          |
| <b>Creditors: amounts falling due within one year</b> | 13   | <u>(93,867)</u> |                | <u>(108,404)</u> |
| <b>Net current assets</b>                             |      |                 | 637,304        | 538,500          |
| <b>Total assets less current liabilities</b>          |      |                 | 639,056        | 541,152          |
| <b>Provisions</b>                                     |      |                 |                |                  |
| Taxation including deferred tax                       | 14   |                 | <u>317</u>     | <u>92</u>        |
| <b>Net assets</b>                                     |      |                 | <u>639,373</u> | <u>541,244</u>   |
| <b>Capital and reserves</b>                           |      |                 |                |                  |
| Called up share capital                               | 17   |                 | 1,000          | 1,000            |
| Profit and loss account                               | 18   |                 | <u>638,373</u> | <u>540,244</u>   |
| <b>Shareholders funds</b>                             |      |                 | <u>639,373</u> | <u>541,244</u>   |

These financial statements were approved by the board of directors and authorised for issue on 26 September 2023 and are signed on behalf of the board by:



Mr J G Dixon  
Director

Company registration number: 05883908

The notes on pages 14 to 22 form part of these financial statements.

# CDC Wealth Management Limited

## Statement of Cash Flows

Year ended 31 December 2022

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>                 |                  |                  |
| Profit for the financial year                               | 445,559          | 272,297          |
| <i>Adjustments for:</i>                                     |                  |                  |
| Depreciation of tangible assets                             | 2,722            | 3,619            |
| Tax on profit   | 17,393           | 68,022           |
| Accrued expenses  | 27,924           | 7,735            |
| <i>Changes in:</i>  |                  |                  |
| Trade and other debtors                                     | (258,162)        | (40,522)         |
| Trade and other creditors                                   | 192              | 4,181            |
| Cash generated from operations                              | 235,628          | 315,332          |
| Tax paid  | (68,197)         | (85,258)         |
| Net cash from operating activities                          | <u>167,431</u>   | <u>230,074</u>   |
| <b>Cash flows from investing activities</b>                 |                  |                  |
| Purchase of tangible assets                                 | (1,822)          | —                |
| Net cash used in investing activities                       | <u>(1,822)</u>   | <u>—</u>         |
| <b>Cash flows from financing activities</b>                 |                  |                  |
| Proceeds from loans from group undertakings                 | 7,926            | —                |
| Dividends paid  | (347,430)        | (226,335)        |
| Net cash used in financing activities                       | <u>(339,504)</u> | <u>(226,335)</u> |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <u>(173,895)</u> | <u>3,739</u>     |
| <b>Cash and cash equivalents at beginning of year</b>       | <u>533,939</u>   | <u>530,200</u>   |
| <b>Cash and cash equivalents at end of year</b>             | <u>360,044</u>   | <u>533,939</u>   |

The notes on pages 14 to 22 form part of these financial statements.

# **CDC Wealth Management Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2022**

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### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 22 Cross Keys Close, London, W1U 2DW.

### **2. Statement of compliance**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The disclosure requirements of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

#### **General Information**

The principal activity of the company during the year was the provision of financial services.

The company is a private company limited by shares and is incorporated and domiciled in England.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

#### **Going concern**

The company meets its day-to-day working capital requirements through its cash reserves. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **Creditors**

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement after allowing for any trade discounts due.

# **CDC Wealth Management Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2022**

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### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

# **CDC Wealth Management Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2022**

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### **3. Accounting policies *(continued)***

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                       |                        |
|-----------------------|------------------------|
| Fixtures and fittings | - 15% reducing balance |
| Equipment             | - 20% straight line    |

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# CDC Wealth Management Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 December 2022**

### 4. Turnover

Turnover arises from:

|                    | <b>Year to<br/>31 Dec 22</b> | Period from<br>1 Apr 21 to<br>31 Dec 21 |
|--------------------|------------------------------|---|
|                    | <b>£</b>                     | <b>£</b>                                |
| Financial services | <u>1,159,212</u>             | <u>908,851</u>                          |

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Operating profit

Operating profit or loss is stated after charging:

|                                 | <b>Year to<br/>31 Dec 22</b> | Period from<br>1 Apr 21 to<br>31 Dec 21 |
|---------------------------------|------------------------------|---|
|                                 | <b>£</b>                     | <b>£</b>                                |
| Depreciation of tangible assets | 2,722                        | 3,619                                   |
| Operating lease rentals         | <u>1,712</u>                 | <u>1,128</u>                            |

### 6. Auditor's remuneration

|  | <b>Year to<br/>31 Dec 22</b> | Period from<br>1 Apr 21 to<br>31 Dec 21 |
|--|------------------------------|---|
|  | <b>£</b>                     | <b>£</b>                                |
| Fees payable for the audit of the financial statements | <u>8,000</u>                 | <u>8,000</u>                            |

### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

|                      | <b>2022</b> | <b>2021</b> |
|----------------------|-------------|-------------|
|                      | <b>No.</b>  | <b>No.</b>  |
| Administrative staff | 6           | 5           |
| Management staff     | 4           | 4           |
|                      | <u>10</u>   | <u>9</u>    |

The aggregate payroll costs incurred during the year, relating to the above, were:

|                       | <b>Year to<br/>31 Dec 22</b> | Period from<br>1 Apr 21 to<br>31 Dec 21 |
|-----------------------|------------------------------|---|
|                       | <b>£</b>                     | <b>£</b>                                |
| Wages and salaries    | 288,600                      | 128,957                                 |
| Social security costs | 29,667                       | 6,506                                   |
| Other pension costs   | 25,038                       | 130,547                                 |
|                       | <u>343,305</u>               | <u>266,010</u>                          |

# CDC Wealth Management Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

|   | Year to<br>31 Dec 22 | Period from<br>1 Apr 21 to<br>31 Dec 21 |
|---|----------------------|---|
|   | £                    | £                                       |
| Remuneration  | 166,946              | 48,764                                  |
| Company contributions to defined contribution pension plans | 3,306                | 106,017                                 |
|   | <u>170,252</u>       | <u>154,781</u>                          |

The number of directors who accrued benefits under company pension plans was as follows:

|                            | 2022<br>No. | 2021<br>No. |
|----------------------------|-------------|-------------|
| Defined contribution plans | <u>1</u>    | <u>4</u>    |

### 9. Tax on profit

#### Major components of tax expense

|  | Year to<br>31 Dec 22 | Period from<br>1 Apr 21 to<br>31 Dec 21 |
|--|----------------------|---|
|  | £                    | £                                       |
| <b>Current tax:</b>                            |                      |   |
| UK current tax expense                         | 17,618               | 68,198                                  |
| <b>Deferred tax:</b>                           |                      |   |
| Origination and reversal of timing differences | (225)                | (176)                                   |
| <b>Tax on profit</b>                           | <u>17,393</u>        | <u>68,022</u>                           |

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

|  | Year to<br>31 Dec 22 | Period from<br>1 Apr 21 to<br>31 Dec 21 |
|--|----------------------|---|
|  | £                    | £                                       |
| Profit on ordinary activities before taxation      | 462,952              | 340,319                                 |
| Profit on ordinary activities by rate of tax       | 87,961               | 64,661                                  |
| Effect of expenses not deductible for tax purposes | 1,284                | 4,319                                   |
| Effect of capital allowances and depreciation      | (158)                | 512                                     |
| Effect of timing differences                       | —                    | (534)                                   |
| Effect of group relief                             | (71,694)             | (936)                                   |
| <b>Tax on profit</b>                               | <u>17,393</u>        | <u>68,022</u>                           |

# CDC Wealth Management Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 December 2022**

### 10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

|                            | <b>2022</b> | 2021     |
|----------------------------|-------------|----------|
|                            | <b>£</b>    | <b>£</b> |
| Dividends on equity shares | 347,430     | 226,335  |

### 11. Tangible assets

|                            | Fixtures and<br>fittings<br>£ | Equipment<br>£ | Total<br>£    |
|----------------------------|-------------------------------|----------------|---------------|
| <b>Cost</b>                |                               |                |               |
| At 1 January 2022          | 14,332                        | 14,765         | 29,097        |
| Additions                  | –                             | 1,822          | 1,822         |
| <b>At 31 December 2022</b> | <u>14,332</u>                 | <u>16,587</u>  | <u>30,919</u> |
| <b>Depreciation</b>        |                               |                |               |
| At 1 January 2022          | 12,131                        | 14,314         | 26,445        |
| Charge for the year        | 2,036                         | 686            | 2,722         |
| <b>At 31 December 2022</b> | <u>14,167</u>                 | <u>15,000</u>  | <u>29,167</u> |
| <b>Carrying amount</b>     |                               |                |               |
| <b>At 31 December 2022</b> | <u>165</u>                    | <u>1,587</u>   | <u>1,752</u>  |
| At 31 December 2021        | <u>2,201</u>                  | <u>451</u>     | <u>2,652</u>  |

### 12. Debtors

|                                | <b>2022</b>    | 2021           |
|--------------------------------|----------------|----------------|
|                                | <b>£</b>       | <b>£</b>       |
| Trade debtors                  | 9,296          | 18,360         |
| Prepayments and accrued income | 60,999         | 83,844         |
| Directors loan account         | –              | 10,761         |
| Other debtors                  | 300,832        | –              |
|                                | <u>371,127</u> | <u>112,965</u> |

Short term debtors are measured at transaction price, less any impairment.

### 13. Creditors: amounts falling due within one year

|                                    | <b>2022</b>   | 2021           |
|------------------------------------|---------------|----------------|
|                                    | <b>£</b>      | <b>£</b>       |
| Amounts owed to group undertakings | 7,926         | –              |
| Accruals and deferred income       | 48,795        | 20,871         |
| Corporation tax                    | 17,618        | 68,197         |
| Social security and other taxes    | 15,137        | 12,907         |
| Other creditors                    | 4,391         | 6,429          |
|                                    | <u>93,867</u> | <u>108,404</u> |

# CDC Wealth Management Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

### 13. Creditors: amounts falling due within one year *(continued)*

Short term creditors are measured at the transaction price.

### 14. Provisions

|                            | Deferred tax<br>(note 15)<br>£ |
|----------------------------|--------------------------------|
| At 1 January 2022          | (92)                           |
| Charge against provision   | (225)                          |
| <b>At 31 December 2022</b> | <b><u>(317)</u></b>            |

### 15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

|                                  | 2022<br>£    | 2021<br>£   |
|----------------------------------|--------------|-------------|
| Included in provisions (note 14) | <u>(317)</u> | <u>(92)</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

|   | 2022<br>£    | 2021<br>£    |
|---|--------------|--------------|
| Accelerated capital allowances          | 438          | 663          |
| Deferred tax - other timing differences | <u>(755)</u> | <u>(755)</u> |
|   | <u>(317)</u> | <u>(92)</u>  |

### 16. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £21,732 (2021: £24,530).

### 17. Called up share capital

#### Issued, called up and fully paid

|                                   | 2022         |              | 2021         |              |
|-----------------------------------|--------------|--------------|--------------|--------------|
|                                   | No.          | £            | No.          | £            |
| Ordinary A shares of £1 each      | 198          | 198          | 198          | 198          |
| Ordinary B shares of £1 each      | 387          | 387          | 387          | 387          |
| Ordinary C shares of £1 each      | 129          | 129          | 129          | 129          |
| Ordinary D shares of £1 each      | 190          | 190          | 190          | 190          |
| Ordinary E shares of £1 each      | 1            | 1            | 1            | 1            |
| Ordinary F shares of £1 each      | 1            | 1            | 1            | 1            |
| Ordinary G shares of £1 each      | 89           | 89           | 89           | 89           |
| Ordinary H to L shares of £1 each | 5            | 5            | 5            | 5            |
|                                   | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

# CDC Wealth Management Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 December 2022**

### 17. Called up share capital *(continued)*

Ordinary shares are classified as equity.

### 18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 19. Analysis of changes in net funds

|                          | At<br>1 Jan 2022 | Cash flows       | At<br>31 Dec 2022 |
|--------------------------|------------------|------------------|-------------------|
|                          | £                | £                | £                 |
| Cash at bank and in hand | 533,939          | (173,895)        | 360,044           |
| Debt due within one year | –                | (7,926)          | (7,926)           |
|                          | <u>533,939</u>   | <u>(181,821)</u> | <u>352,118</u>    |

### 20. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

|  | 2022         | 2021       |
|--|--------------|------------|
|  | £            | £          |
| Not later than 1 year                        | 456          | 132        |
| Later than 1 year and not later than 5 years | 570          | –          |
|  | <u>1,026</u> | <u>132</u> |

### 21. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

|               | Balance<br>brought<br>forward | Advances/<br>(credits) to<br>the directors | Balance<br>outstanding |
|---------------|-------------------------------|--|------------------------|
|               | £                             | £  | £                      |
| Mr J G Dixon  | –                             | –  | –                      |
| Mr P D G Cain | 5,111                         | (5,111)                                    | –                      |
| Mr A Mann     | 5,650                         | (5,650)                                    | –                      |
|               | <u>10,761</u>                 | <u>(10,761)</u>                            | <u>–</u>               |

|               | Balance<br>brought<br>forward | Advances/<br>(credits) to<br>the directors | Balance<br>outstanding |
|---------------|-------------------------------|--|------------------------|
|               | £                             | £  | £                      |
| Mr J G Dixon  | (312)                         | 312  | –                      |
| Mr P D G Cain | (171)                         | 5,282                                      | 5,111                  |
| Mr A Mann     | 2,864                         | 2,786                                      | 5,650                  |
|               | <u>2,381</u>                  | <u>8,380</u>                               | <u>10,761</u>          |

# **CDC Wealth Management Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 December 2022**

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### **22. Related party transactions**

Duke 2021 Bidco Limited is a company which has control over CDC Wealth Management Limited. During the year, the company loaned £300,000 (2021 - £nil) to Duke 2021 Bidco Limited. The loan is interest free and repayable on demand. At the balance sheet date, Duke 2021 Bidco Limited owed the company £300,000 (2021 - £nil).

### **23. Controlling party**

The company's parent company is CDC Wealth Management Holdings Limited, a private company limited by shares incorporated in England and Wales, whose registered office address is 22 Cross Keys Close, London W1U 2DW.

The company's ultimate controlling party is Cairngorm Capital Partners LLP, whose registered office address is 22 Cross Keys Close, London W1U 2DW.

These financial statements are consolidated in the financial statements of Duke 2021 Topco Limited, registered in Jersey with the registered office address of 22 Grenville Street, St Helier, JE4 8PX, Jersey and accounts are available on request.