

Company Registration No. 07980535 (England and Wales)

Adroit Financial Planning Limited

Annual Report and Financial Statements

For the year ended 31 December 2021



Adroit Financial Planning Limited

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Adroit Financial Planning Limited

Company Information

Directors

M P Jarvis
N A Jefferies
H Roberts
P E Rosson

Company secretary

E S Comley

Company number

07980535

Registered office

58 Mosley Street
Manchester
M2 3HZ
United Kingdom

Statutory Auditor

Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH
United Kingdom

Bankers

Bank of Scotland
33 Old Broad Street
London
BX2 1LB
United Kingdom

Adroit Financial Planning Limited

Strategic Report

For the year ended 31 December 2021

The Directors present their Strategic Report for the year ended 31 December 2021.

Review of the business

The Company provides financial advisory services in respect of the management of client funds and pre-settlement advice in the form of the production of expert witness reports.

In 2021, the Covid-19 pandemic continued to dominate global markets, but equities for the most part are above pre Covid-19 levels (before the social restrictions were implemented in March 2020). This includes the UK FTSE 100 which remains a major influence on our investment portfolios. Throughout 2021 global markets have continued to rise, albeit cautiously, and have suffered some downturns when Covid-19 rates rose as a result of the Omicron variant towards the end of 2021.

The Company has continued to operate under social distancing restrictions due to the ongoing effects of the Covid-19 pandemic during 2021. Despite this, there has been a significant year on year increase in revenue (20.5%) to £2.2m through the growth of expert witness work and higher funds under management. The Company was able to increase the number of clients held year on year, improved its expert witness proposition and increased the funds under management, leading to pre-tax profits increasing by 200%. This is in line with the Board's expectations.

The results for the year are set out on page 12. The key financial and other performance indicators during the year are shown below.

	Year ended 31 December 2021 £	Year ended 31 December 2020 £	Change %
Revenue	2,159,070	1,792,106	20.5
Profit before tax	739,337	246,511	199.9
Cash and cash equivalents	529,850	632,775	(16.3)
Equity shareholders' funds	2,565,744	1,826,220	40.5

Quick ratio	Ratio	Ratio	%
Current assets as % of current liabilities	18.5	5.1	262.7

Future developments

The Company is not immune to the effects of the Covid-19 pandemic. Accordingly, the Directors have sought to adapt, in moving the Company forward by becoming a fully digital business. This has allowed the Company to expand its services offered to its clients and means that in addition to the traditional face to face advice offering, the Company offers online video conferencing advice and a fully digital application and investment process. The Company has retained a strong cash balance which provides an excellent platform for continued growth in 2022.

At the start of 2022, the biggest risk in the markets has been the rise in inflation and, as a result, central banks have started to raise interest rates. Since February 2022 the Company has been closely monitoring the geopolitical issues in Ukraine and the effect on global markets. Management do not expect these events to impact on the long term returns for clients.

The Directors are confident that the Company will build on the experience and knowledge gained during 2021 to achieve its financial performance objectives in 2022.

Adroit Financial Planning Limited

Strategic Report (continued)

For the year ended 31 December 2021

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks that include the effects of changes in the performance of global stock markets. The Company has access to group funding facilities (as part of Slater and Gordon UK Holdings Limited's group, the "Group") to support its working capital requirements.

The Company actively ensures it complies with all regulatory requirements. The Company has processes in place for the regular production of financial management information, including cash flow, which is reviewed by the Directors.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes.

Credit risk

The Company's principal financial assets are cash and cash equivalents and trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. 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 Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The Company maintains sufficient liquidity levels to ensure that funds are available for ongoing operations and future developments.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The Covid-19 pandemic

During the prior year, the Company took part in the VAT Deferral Scheme which permitted the deferral of VAT which was due between 20 March 2020 and 30 June 2020. This liability was subsequently repaid to HMRC on 26 February 2021. At the year ended 31 December 2021, no deferred VAT liability balance is reported.

The Company did not participate in the Coronavirus Job Retention Scheme, resulting in the Company not receiving any government grants to cover salaries of employees whose roles were impacted by the Covid-19 pandemic.

At the start of 2022, the UK announced the easing of social distancing restrictions from the Covid-19 pandemic. The Directors will continue to monitor the UK economy and markets and the effects this has on the Company's financial performance and cash position. The Directors of the Company have assessed the ability for the Company to continue as a going concern below.

Subsequent events

On 20 April 2022, the Board of Directors approved a dividend of £1.3m satisfied by the Company's distributable reserves and settled by the transfer of intercompany receivable balances of £922,000 due from Slater and Gordon UK Limited and £378,000 due from Slater & Gordon (UK) 1 Limited.

Adroit Financial Planning Limited

Strategic Report (continued)

For the year ended 31 December 2021

Going concern

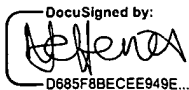
The financial statements have been prepared on a going concern basis. At 31 December 2021 the Company had net assets of £2,565,875 and made a profit after tax of £739,524.

The Directors have assessed the Company's ability to continue to meet its working capital requirements through the normal cyclical nature of receipts and payments. In their assessment of going concern the Directors have made use of forecasts until December 2023 and have performed sensitivity analysis of the forecast assumptions, which demonstrates the Company's ability to meet its working capital requirements, to meet liabilities when they fall due and regulatory capital requirements thus supporting the going concern basis. The forecasts include assumptions for further reductions of 10% and 25% in revenue and collections throughout 2022 and 2023. Whilst this shows a reduction in the cash forecast to be held to the end of 2022, the Company maintains the minimum level of cash to adhere to the capital adequacy requirements, governed by the FCA.

A reduction of 48% in forecast cash receipts over all the next 12 months would result in a breach of the FCA cash adequacy requirement. The Directors have considered this outcome to be remote. Since February 2022 the Company has been closely monitoring the geopolitical issues in Ukraine and the effect on global markets. Management do not expect these events to impact on the long term returns for clients.

The Directors believe the Company will continue as a going concern based on the sensitivity analysis performed and what is known at the date of signing these financial statements. This will continue to be reviewed going forwards. Accordingly, the going concern basis of accounting has been adopted.

The Strategic Report was approved for issue by the Board of Directors and signed on its behalf by:

DocuSigned by:

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N A Jefferies

Director

22 April 2022

58 Mosley Street, Manchester, M2 3HZ

Adroit Financial Planning Limited

Directors' Report

For the year ended 31 December 2021

The Directors present their report and financial statements for the year ended 31 December 2021. Future developments are presented in the Strategic Report on page 3.

Principal activities

The Company provides financial advisory services consisting of managing funds invested on behalf of clients and pre-settlement advice in the form of the production of expert witness reports.

Results, dividends and key performance indicators

The results for the year are set out on page 12. The relevant key performance indicators are disclosed in the Strategic Report.

A final dividend of £1.3m is proposed for the year ended 31 December 2021 (year ended 31 December 2020: £nil). The dividend was declared on 20 April 2022 and paid by the transfer of intercompany receivable balances of £922,000 due from Slater and Gordon UK Limited and £378,000 due from Slater & Gordon (UK) 1 Limited.

Directors

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

The following Directors have held office during the year and to the date of this report:

- M P Jarvis
- N A Jefferies
- C L McNicol (resigned 19 July 2021)
- H Roberts
- P E Rosson (appointed 12 August 2021)
- A L Wilford (appointed 11 August 2021, resigned 31 January 2022)

The following Company Secretaries have held office during the year and to the date of this report:

- E L Humphrey (resigned 30 November 2021)
- E S Comley (appointed 2 December 2021)

Employee involvement

The Company's policy is to consult and discuss with employees matters likely to affect employees' interests. Information about matters of concern to employees is given through management meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

The Covid-19 pandemic dominated the year ended 31 December 2021 which meant that all employees continued working remotely. The Directors' approach has been to focus on the safety and welfare of all employees and communities, whilst protecting the financial continuity of the Company. The Company has continued to enable all employees to work from home and has maintained compliance with the Government's instructions and guidance, including avoiding travel and face to face meetings. The Company has invested in new technology to ensure home working is as effective as possible and have continued to build on that approach by accelerating smart working programmes to enable safe productive remote working.

The Company continues to communicate with all employees through regular online meetings to support the challenges or concerns remote working is having on all employees.

Adroit Financial Planning Limited

Directors' Report (continued)

For the year ended 31 December 2021

Auditor

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

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

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

Deloitte LLP has expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Directors' responsibilities statement

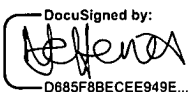
The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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), including FRS 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 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.

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.

The Report of the Directors was approved for issue by the Board of Directors and signed on its behalf by:

DocuSigned by:

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N A Jefferies

Director

22 April 2022

58 Mosley Street, Manchester, M2 3HZ

Adroit Financial Planning Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADROIT FINANCIAL PLANNING LIMITED

For the year ended 31 December 2021

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Adroit Financial Planning Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 11.

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

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 Financial Reporting Council's (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.

Adroit Financial Planning Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADROIT FINANCIAL PLANNING LIMITED (continued)

For the year ended 31 December 2021

Other information

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

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

We have nothing to report in this regard.

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.

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

Adroit Financial Planning Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADROIT FINANCIAL PLANNING LIMITED (continued)

For the year ended 31 December 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Financial Conduct Authority (FCA), UK Companies Act, Money Laundering regulations, Data Protection Act, Tax Legislation and Bribery Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

Overstatement of accrued income / revenue

Accuracy of accrued income has been tested by matching accrued income with underlying agreements and correspondence with fund managers. Accuracy has also been tested by selecting a sample of accrued income items as at year end and agreeing amounts to bank statements post year end.

Completeness of accrued income that has been tested on a sample basis, tracing amounts from post year end bank statements and agreeing to the accrued income balance as at year end to ensure that the income has been recognised in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Adroit Financial Planning Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADROIT FINANCIAL PLANNING LIMITED (continued)

For the year ended 31 December 2021

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

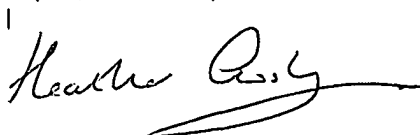
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Heather Crosby BSc ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom
22 April 2022

Adroit Financial Planning Limited
Statement of Comprehensive Income
For the year ended 31 December 2021

		Year ended 31 December 2021 £	Year ended 31 December 2020 £
	Notes		
Revenue	2	2,159,070	1,792,106
Operating expenses		(1,419,733)	(1,545,595)
Operating profit	3	739,337	246,511
Profit before taxation		739,337	246,511
Tax on profit on ordinary activities	6	187	(1,079)
Total comprehensive income		739,524	245,432

The total comprehensive income for the current year and preceding periods arises wholly from the Company's continuing operations.

The Directors have not presented a statement of other comprehensive income as there are no other gains or losses.

The notes on pages 15 to 21 are an integral part of these financial statements.

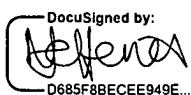
Adroit Financial Planning Limited**Statement of Financial Position****At 31 December 2021**

	Notes	31 December 2021 £	31 December 2020 £
Current assets			
Deferred tax assets	6	1,671	1,484
Trade and other receivables	7	2,180,483	1,637,095
Cash and cash equivalents		529,850	632,775
Total current assets		2,712,004	2,271,354
Current liabilities			
Trade and other payables	8	(146,260)	(445,134)
Total liabilities		(146,260)	(445,134)
Net current assets		2,565,744	1,826,220
Net assets		2,565,744	1,826,220
Equity			
Called-up share capital	9	120,000	120,000
Retained earnings		2,445,744	1,706,220
Total shareholders' funds		2,565,744	1,826,220

The notes on pages 15 to 21 are an integral part of these financial statements.

The financial statements were approved by the board of Directors and authorised for issue on 22 April 2022.

They were signed on its behalf by:

DocuSigned by:

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N A Jefferies
Director

Company Registration No. 07980535

Adroit Financial Planning Limited**Statement of Changes in Equity****For the year ended 31 December 2021**

	Called-up share capital	Retained earnings	Total
	£	£	£
Balance as at 31 December 2019	120,000	1,460,788	1,580,788
Total comprehensive income for the year	-	245,432	245,432
Balance as at 31 December 2020	120,000	1,706,220	1,826,220
Total comprehensive income for the year	-	739,524	739,524
Balance as at 31 December 2021	120,000	2,445,744	2,565,744

The notes on pages 15 to 21 are an integral part of these financial statements.

Adroit Financial Planning Limited

Notes to the Financial Statements

For the year ended 31 December 2021

1. Accounting policies

The following is a summary of significant accounting policies adopted by the Company in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of preparation

Adroit Financial Planning Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006 and domiciled in the United Kingdom (UK). The address of the Company is shown on page 2.

The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 6 to 7.

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements in accordance with International Financial Reporting Standards (IFRS's) as adopted by the UK. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council.

The Company's financial statements are presented in Pound Sterling (GBP), its functional currency. The financial statements have been prepared under the historical cost convention.

These financial statements are separate financial statements. The Group financial statements of Slater and Gordon UK Holdings Limited are available to the public and can be obtained as set out in note 10.

b) Compliance with accounting standards

FRS 101 sets out amendments to UK-adopted IFRS's that are necessary to achieve compliance with the Companies Act 2006 and related Regulations. The Company adopted the following amendments to IFRS's from 1 January 2021:

Interest Rate Benchmark Reform	<i>Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</i>
Amendments to IAS 1	<i>Amendments to presentation of financial statements on classification of liabilities</i>

The adoption of the amendments listed above did not have any impact on the amounts recognised in prior and current periods. No impact is expected in future periods.

The following disclosure exemptions from the requirements of IFRS's have been adopted in the preparation of these financial statements, in accordance with FRS 101:

- Information relating to the Company's objectives, policies and processes for managing capital has not been given.
- IAS 1 "*Presentation of financial statements*", a statement of cash flows has not been presented.
- The categories of financial instrument and nature and extent of risks arising on these financial instruments have not been detailed.
- The valuation techniques applied to assets and liabilities held at fair value have not been disclosed.
- IAS 24 "*Related party disclosures*", including related party transactions between two or more wholly owned members of the group have not been disclosed.
- IAS 36 "*Impairment of assets*", where the equivalent disclosures have been given in the Group financial statements of Slater and Gordon UK Holdings Limited, where the Company has been consolidated.

Where relevant, equivalent disclosures have been given in the Group financial statements of Slater and Gordon UK Holdings Limited.

Adroit Financial Planning Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

c) Amendments to IFRS's in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following amendments to IFRS's that have been issued but are not yet effective:

- IFRS 17 "*Insurance Contracts*".

The Directors do not expect that the amendments to IFRS's listed above will have a material impact on the financial statements of the Company in future periods.

d) Significant accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. During the current and prior year there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

e) Revenue recognition

The Company has two revenue streams:

Fees and commissions receivable for the advisory service of managing funds are recognised at the point in time the right to receive the revenue becomes highly probable and the revenue can be reliably measured.

Revenue from the production of expert witness reports is recognised at the point in time of the completion of the report. At this point, control of the asset produced passes to the customer and until this point, the Company has no contractual right to payment for a partially completed report.

f) Taxation

The tax expense for the year comprises of current and deferred tax and is recognised in the statement of comprehensive income. Under certain circumstances, tax is recognised either in other comprehensive income or directly in equity, depending on the item that the tax relates to.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the UK where the Company operates and generates taxable income.

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets and liabilities are determined using the current income tax charge defined above and is shown net in the statement of financial position. Deferred tax assets are recognised to the extent that it is highly probable that future taxable profits will be available against which the temporary differences can be utilised and is shown net in the statement of financial position. The deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Value Added Tax ("VAT")

Revenue, expenses and assets are recognised net of the amount of VAT, except where the VAT incurred is not recoverable from Her Majesty's Revenue and Customs ("HMRC") and is therefore recognised as part of the asset's cost or as part of the expense item. Receivables and payables are stated inclusive of VAT.

The net amount of VAT payable to HMRC is included as part of current payables in the statement of financial position.

Adroit Financial Planning Limited

Notes to the Financial Statement (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

g) Trade and other receivables

Collectability of trade receivables is reviewed at each reporting date. Management considers, on a forward-looking basis, the expected credit losses associated with the classes of similar trade receivables and provided for the appropriate impairment. Debts that are known to be uncollectable are written off when identified.

Collectability of intercompany and related party balances is reviewed at each reporting period. Management considers whether an impairment is required based upon recoverability. Debts that are known to be uncollectable are written off when identified.

h) Employee benefits

Short-term employee benefit obligations

Liabilities for wages and salaries, annual leave and any other employee benefits that are expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented in accruals.

Defined contribution pension plan

The Company contributes to a defined contribution plan in respect of employee services rendered during the year. The Company recognises a liability and an expense as they are incurred. The pension liability is presented in trade and other payables.

i) Financial Instruments

Classification

The Company classifies its financial instruments in the following measurement categories:

- Those to be measured subsequently at fair value;
- Those to be measured at amortised cost; or
- Those to be measured at the present value, where future cash flows have been discounted.

Non-derivative financial instruments

Non-derivative financial instruments consist of investments in equity, trade and other receivables, cash and cash equivalents and trade and other payables. Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below.

Financial assets

The Company holds financial assets at fair value consisting of trade and other receivables and cash and cash equivalents.

Impairment of financial assets

Financial assets are reviewed for impairment at each financial year end in accordance with IAS 36 "Impairment of assets" if there is an indication that the carrying value of the asset may have been impaired. For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9 "Financial instruments", which requires expected lifetime losses to be recognised from initial recognition.

Financial liabilities

Financial liabilities include trade and other payables and intercompany. Non-derivative financial liabilities are recognised at present value, comprising of the original debt plus interest less principal payments. The implied interest expense is recognised in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income.

Adroit Financial Planning Limited

Notes to the Financial Statement (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

j) Going concern

The financial statements have been prepared on a going concern basis. At 31 December 2021 the Company had net assets of £2,539,613 and made a profit after tax of £713,393.

The Directors have assessed the Company's ability to continue to meet its working capital requirements through the normal cyclical nature of receipts and payments. In their assessment of going concern the Directors have made use of forecasts until December 2023 and have performed sensitivity analysis of the forecast assumptions, which demonstrates the Company's ability to meet its working capital requirements, to meet liabilities when they fall due and regulatory capital requirements thus supporting the going concern basis. The forecasts include assumptions for further reductions of 10% and 25% in revenue and collections throughout 2022 and 2023. Whilst this shows a reduction in the cash forecast to be held to the end of 2022, the Company maintains the minimum level of cash to adhere to the capital adequacy requirements, governed by the FCA.

A reduction of 48% in forecast cash receipts over all the next 12 months would result in a breach of the FCA cash adequacy requirement. The Directors have considered this outcome to be remote. Since February 2022 the Company has been closely monitoring the geopolitical issues in Ukraine and the effect on global markets. Management do not expect these events to impact on the long term returns for clients.

The Directors believe the Company will continue as a going concern based on the sensitivity analysis performed and what is known at the date of signing these financial statements. This will continue to be reviewed going forwards. Accordingly, the going concern basis of accounting has been adopted.

2. Revenue

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
<i>Revenue can be allocated to the revenue streams as follows:</i>		
Fees and commission	1,877,428	1,536,795
Production of expert witness reports	281,642	255,311
	2,159,070	1,792,106

The total turnover of the Company for the year has been derived wholly from activities undertaken in the United Kingdom.

3. Operating profit

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
<i>Operating profit is stated after charging:</i>		
Auditor's remuneration for the audit of the Company's financial statements	15,000	15,000

The Company incurred £nil non-audit fees for the year ended 31 December 2021 (2020: £nil).

Adroit Financial Planning Limited

Notes to the Financial Statement (continued)

For the year ended 31 December 2021

4. Employee information

4.1 Employee benefits

The aggregate employee expense, including Directors, comprised:

	Year ended 31 December 2021	Year ended 31 December 2020*
	£	£
Wages and salaries	939,957	985,032
Social security costs	103,437	110,657
Pension costs	87,251	106,144
	1,130,645	1,201,833

* Re-presentation of wages and salaries and pension costs for the year ended 31 December 2020 to align with Group's accounting policy.

Pension arrangement costs include only those defined contribution plan costs included within operating costs.

4.2 Employee numbers

The monthly average number of people, including Directors, employed by the Company during the year was:

	Year ended 31 December 2021	Year ended 31 December 2020
	Number	Number
Legal support	16	15

5. Directors' emoluments

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Directors' emoluments	172,676	137,524
Contributions to defined contribution pension	8,277	6,120
	180,953	143,644

The remuneration of two Directors is borne by the Company (2020: one). The remuneration of the remaining Directors is paid for by other group companies and has not been disclosed here since their time is deemed incidental.

The highest paid Director received remuneration of £131,000 (2020: £138,000), with £6,000 of defined pension contributions (2020: £6,000). No share options were exercised during the year (2020: £nil).

During the year two Directors (2020: one Director) participated in the defined contribution pension arrangements.

Adroit Financial Planning Limited

Notes to the Financial Statement (continued)

For the year ended 31 December 2021

6. Taxation

6.1 Taxation for the year

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Deferred tax	(187)	2,553
Adjustment for deferred tax relating to prior periods	-	(1,172)
Change in tax rate on deferred tax brought forward	-	(302)
Total tax per statement of comprehensive income	(187)	1,079

Factors affecting the tax for the year:

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Profit on ordinary activities before taxation	739,337	246,511
At the statutory income tax rate of 19%	140,474	46,837
<i>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</i>		
Expenses not deductible for tax purposes	331	122
Change in tax rate on deferred tax brought forward	-	(302)
Adjustment for deferred tax relating to prior periods	-	(1,172)
Group relief claimed	(140,992)	(44,406)
Total tax (credit) / charge for the year	(187)	1,079

A reduction to the UK corporation tax rate down from 19% to 17% was announced in the 2016 Budget and enacted on 15 September 2016 (to be effective from 1 April 2020). However, the 2020 Budget announced that this reduction in rate would be reversed with 19% being maintained from 1 April 2020.

An increase to the UK corporation tax rate from 19% to 25% was announced in the 2021 Budget and was substantively enacted on 24 May 2021. The changes in tax rates do not have a current impact on the recognition of deferred tax at 31 December 2021. Any future recognition of deferred tax assets will be assessed on an annual basis as appropriate.

6.2 Deferred tax asset

	31 December 2021	31 December 2020
	£	£
Balance brought forward	1,484	2,563
Credit / (charge) for the year	187	(1,079)
Total deferred tax asset	1,671	1,484

Deferred tax relates to the following:

Other short-term timing differences	1,671	1,484
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Analysed as:

Current deferred tax asset	1,671	1,484
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Adroit Financial Planning Limited

Notes to the Financial Statement (continued)

For the year ended 31 December 2021

7. Trade and other receivables

	31 December 2021	31 December 2020
	£	£
Trade receivables	203,203	350,900
Accrued income	400,302	334,805
Prepayments and deposits	29,909	29,390
Amounts owed by immediate parent	625,069	-
Amounts owed by group companies	922,000	922,000
	2,180,483	1,637,095

Trade receivables is reported net after charging a provision for non-recovery of £13,310 (2020: £29,448). The fair value of the trade receivables, accrued income and prepayments is considered to be equal to their carrying amount. Amounts owed from immediate parent and group companies do not attract interest and are repayable on demand.

8. Trade and other payables

	31 December 2021	31 December 2020
	£	£
Other taxation and social security costs	30,233	27,306
Pension contributions	8,795	7,809
Accruals and VAT payable	107,232	95,234
Amounts owed to immediate parent	-	314,785
	146,260	445,134

Amounts owed to immediate parent do not attract interest and are repayable on demand.

9. Share capital

	31 December 2021	31 December 2020
	£	£
Allotted, called up and fully paid		
24,000 "A" Ordinary of £1 each	24,000	24,000
96,000 "B" Ordinary of £1 each	96,000	96,000
	120,000	120,000

All shares have full voting and capital distribution rights and rank pari passu.

10. Ultimate parent company

Adroit Financial Planning Limited's immediate parent company is Slater & Gordon (UK) 1 Limited.

The ultimate parent undertaking and controlling party is Slater and Gordon UK Holdings Limited, a company incorporated in England and Wales and is both the smallest and largest parent company preparing group financial statements. Copies of the consolidated financial statements of Slater and Gordon UK Holdings Limited can be obtained from 58 Mosley Street, Manchester, M2 3HZ, United Kingdom.

11. Subsequent events

On 20 April 2022, the Board of Directors approved a dividend of £1.3m satisfied by the Company's distributable reserves and settled by the transfer of intercompany receivable balances of £922,000 due from Slater and Gordon UK Limited and £378,000 due from Slater & Gordon (UK) 1 Limited.