EVELYN PARTNERS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2022

evelyn
PARTNERS

Contents

2022 Performance Highlights

Operating income

£600.8m

2021: £560.8m

Operating profit

£53.5m

2021: £50.9m

Adjusted EBITDA[1,2]

£184.3m

2021: £188.4m

Adjusted EBITDA margin[1,3]

30.7%

2021: 33.6%

Assets under management[1]

£53.0bn

2021: £57.7bn

Gross new business inflows[1]

£5.4bn

2021: £6.0bn

Net inflows[1]

£2.3bn

2021: £2.5bn

Number of clients[1]

177,344

2021: 172,005

1. This measure is considered an Alternative Performance Measure (APM). APMs are defined on pages 19 and 20.
2. Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation is defined as operating profit of £53.5 million (2021: £50.9 million), adding back acquisition and integration costs of £26.3 million (2021: £24.8 million), strategic consultancy services of £5.8 million (2021: £nil), head office relocation costs of £2.3 million (2021: £3.9 million), custody consolidation costs of £0.4 million (2021: £nil), and amortisation and depreciation totalling £96.0 million (2021: £108.8 million) (page 21).
3. Adjusted EBITDA as a percentage of operating income.

About Evelyn Partners

Evelyn Partners is a leading wealth management and professional services group, created from the merger of Tilney and Smith & Williamson in 2020, with a rich heritage of supporting individuals, families and businesses with their financial affairs for over 186 years.

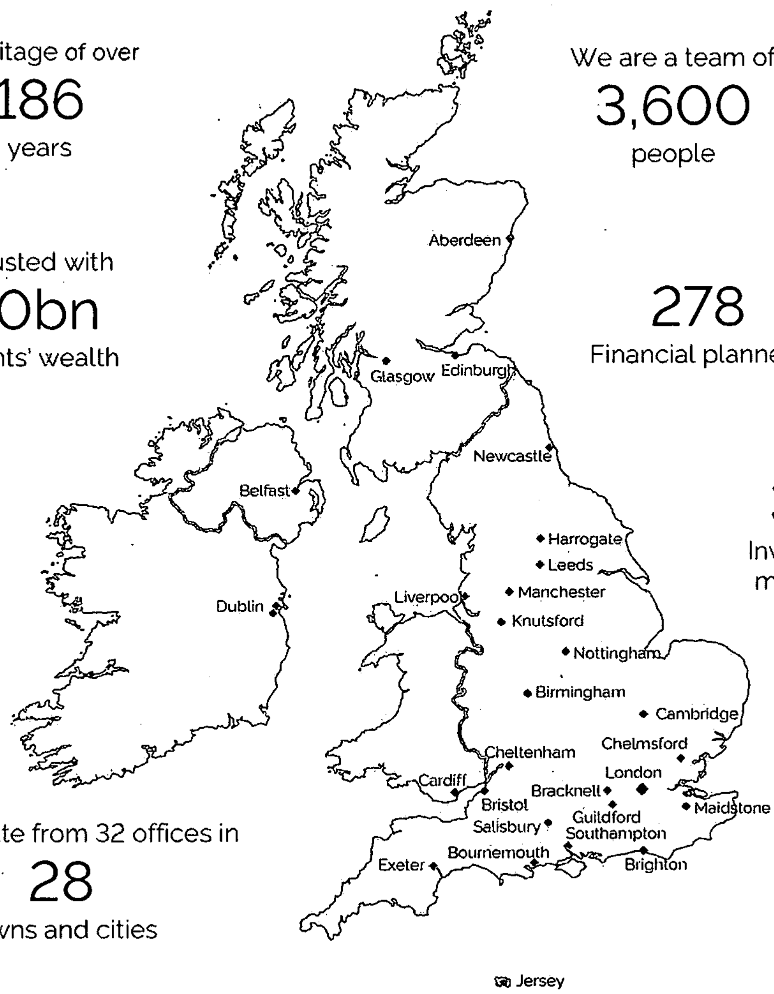
With a depth of expertise in financial planning, investment management, tax advice and professional services provided from offices across the UK, Ireland and the Channel Islands, we offer an unrivalled range of services to support our clients with the management of both their personal wealth and their business interests.

A heritage of over
186
years

We are trusted with
£53.0bn
of our clients' wealth

We support
177,344
clients

We operate from 32 offices in
28
towns and cities



We are a team of
3,600
people

278
Financial planners

313
Investment managers

474
Qualified professional services colleagues

Awards Highlights 2022

Over many years the high quality of our services has been recognised with industry awards, providing an important independent endorsement of our position as a market leading business that is committed to delivering excellent performance and client service. Below are examples of some of the awards that we won during 2022.

In addition, we are proud of the fact that many of our individual practitioners were recognised through awards and third-party rankings during the year including e-Private Client's Top 35 under 35 list, the STEP Awards, the City of London Wealth Management awards, Private Client Global Elite's list of Top Private Client Practitioners and the Women in Fintech Power List.

Financial Services

Bestinvest

Professional Services

Our Purpose and Values

We recognise that life is full of decisions that shape the future of what matters to our clients, be they private individuals or businesses. Great decisions require as much certainty as possible; the kind of certainty that comes from good advice.

Good advice is powerful as it allows people and businesses to flourish in the present, knowing that tomorrow is being taken care of. We also believe that more people and businesses should have access to good advice, regardless of their size.

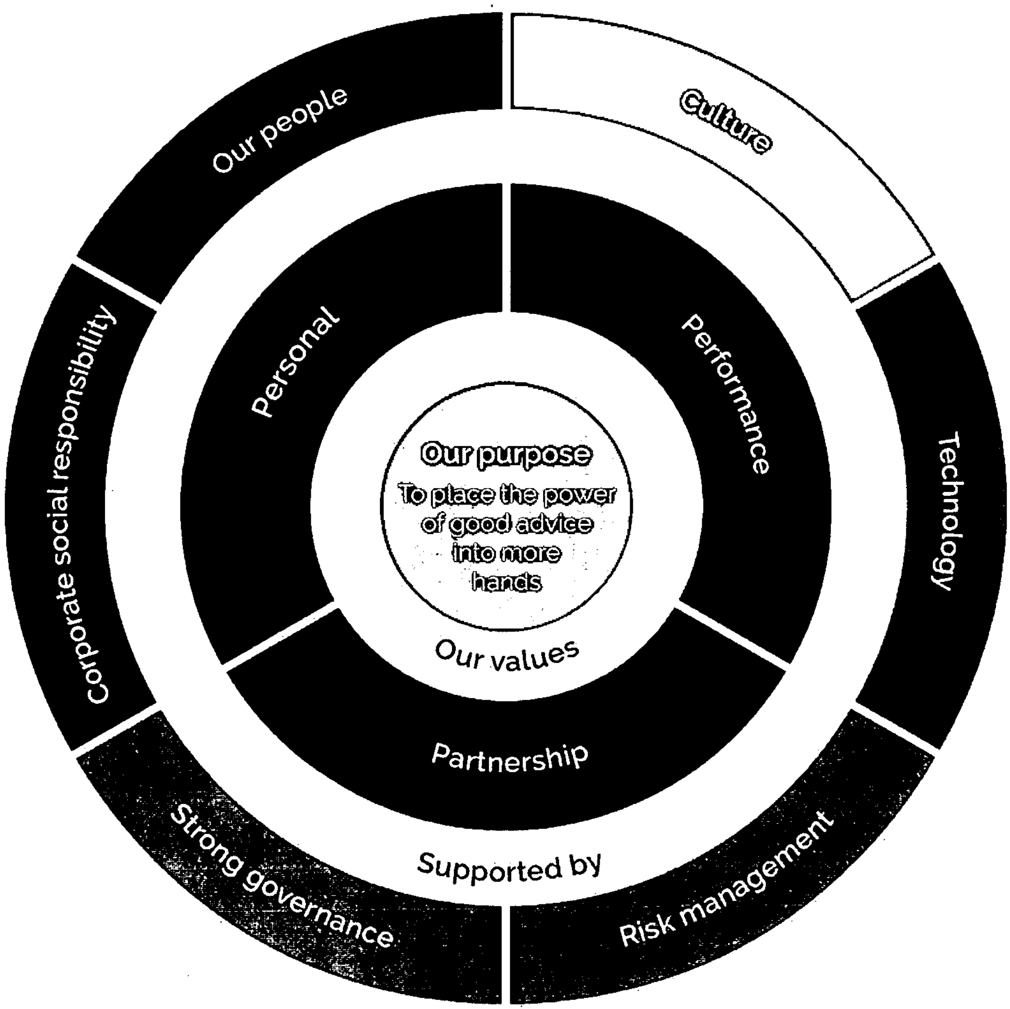
Our purpose is therefore *'to place the power of good advice into more hands'*. It is at the heart of everything we do. We are committed to being an active key voice for raising the standards and reach of advice.

In pursuing our purpose, we have three core values:

- Personal: we treat you as an individual
- Partnership: we go further together
- Performance: we strive for more.

These values are the cornerstones of both our service promise and of our workplace culture, and we are proud of the fact that in our October 2022 Pulse survey, 73% of colleagues said they believe in our purpose and 75% said they believe we live our three core values.

In seeking to deliver our purpose, and the values which underpin it, our business is supported by several key pillars that work together: the quality of our people, our culture, a first-class technology platform, robust risk management, a strong governance framework and a commitment to corporate social responsibility.



Rebrand to Evelyn Partners

Following the merger of Tilney and Smith & Williamson in September 2020, and the substantial completion of the integration of both businesses, the Group rebranded to Evelyn Partners on 14 June 2022. The rebrand represents a major milestone in the development of the combined business and the opening of an exciting new chapter in our history.

One firm, with a joined-up approach

The move to our new brand visibly signifies that we are now truly one firm with a shared purpose - *'to place the power of good advice into more hands'* – and a set of values that sit at the heart of the business.

By becoming one firm under a unified brand, we now offer all of our clients the best of both worlds from the two previous businesses. This includes a joined-up wealth management approach spanning financial planning, investment management and tax advice, alongside an extensive range of professional services focused primarily on supporting entrepreneurs and family-owned businesses. As a combined business, our ability to support clients with advice on their personal wealth and business interests is unrivalled in the UK.

Clients now have access to greater specialist expertise, and we can support them from an extensive network of offices in 28 towns and cities.

The move to a unified brand confidently expresses our unique differentiation in the marketplace and not only encapsulates the integrated nature of our service offering and shared purpose but will also lead to a stronger external profile and greater efficiencies, which will better support our growth aspirations.

A new name – but inspired by our heritage

Our new name takes its inspiration from a pivotal moment in our history when, in 1893, one of our founders, Andrew Williamson, kick-started the expansion of the business from a regional to a national player from his base in Evelyn Gardens, London. The move punctuated a key moment of transformation, much like the one we are experiencing today on the back of our merger.

Timeless, contemporary and versatile

Evelyn is both timeless and contemporary. It looks forward while giving a nod to a past of which we are so proud. It is versatile, much as the breadth of services we provide. It is inclusive, reflecting our commitment to providing a friendly and accessible service to all and one of our three core values - 'Personal'. Short and memorable, it is a name that is fit for the digital age and works well alongside Bestinvest, our digital service for self-directed investors.

We combined this with Partners because it conveys the type of long-term relationship we build with our clients, colleagues and communities, and reflects that Partnership is one of our three core values.

The name change applied to all our client-facing brands with the exception of Bestinvest, which has a strong brand recognition and serves a distinct client segment – self-directed investors. Bestinvest continues as a sub-brand of the Group endorsed by our new name: Bestinvest by Evelyn Partners.

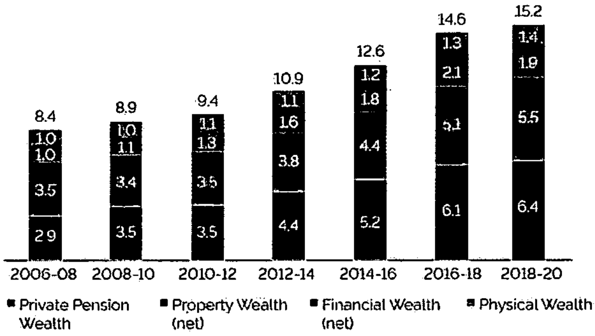
Building brand awareness

To help build awareness of the new brand we launched a combined public relations and advertising campaign in the second half of 2022. Our adverts carried the strapline "The power of good advice since 1836" with the central theme of the campaign being that advice from people who get to know you well will help you achieve your goals. Each advert was based around personal stories of people who have been successful in their fields, including Michelin-starred chef Angela Hartnett and entrepreneurs Dhiraj Mukherjee and George Bevis, who benefited from good advice from someone close to them. The brand has quickly gained recognition with 3,179 media mentions by year end and brand awareness restored to the levels of the individual legacy brands.

Our Market

We are one of the largest firms operating in a sizeable but highly fragmented market with strong growth dynamics. According to ONS data, UK private wealth is estimated at over £15.2 trillion, of which private pensions, followed by financial wealth, have seen the highest growth since 2006.

Figure 1: Growth of UK Household Wealth (£ trillions)

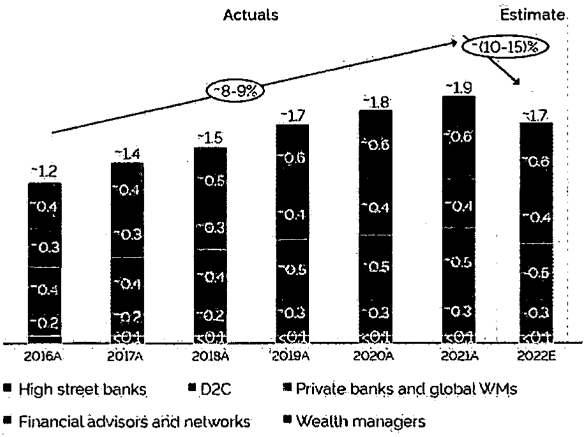


Source: ONS, Total Wealth: Wealth in Great Britain

The broad UK wealth management sector is estimated to service c£1.7 trillion of financial assets. A range of business types provide services to support private clients including discretionary wealth managers, financial advisers, online Direct-to-Consumer (D2C) platforms, retail and private banks and traditional stockbrokers.

Approximately £0.9 trillion of these assets are managed by the advisory community, comprising wealth managers and financial advisers and a further £0.3 trillion by execution-only and robo-advice D2C platforms. We operate in all of these channels. When liquid cash savings are also taken into account, this represents a significant addressable opportunity for us.

Figure 2: Estimated size of the UK Wealth Management Sector (£1.7 trillion assets under management, advice and administration)



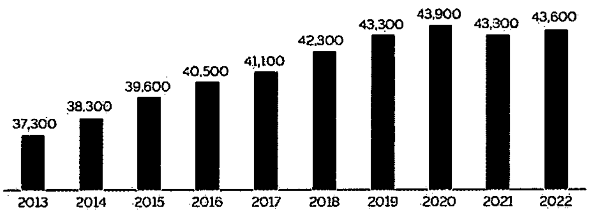
*Source: Oliver Wyman analysis, *FCA, Platforum, annual / trading reports**

Our combination of scale, breadth of services and ability to support clients with both their personal wealth and their business interests places us in an excellent position to capitalise on the growth of private wealth and consolidation opportunities arising from changes in the industry landscape.

UK wealth has been growing faster than GDP in recent decades, supported by the tailwind of historically low interest rates that have only just begun to rise again, strong asset price returns and structural changes in the pensions landscape.

Alongside the growth in financial and private pension assets, the UK has a strong record of new business creation. It is estimated that there are 43,600 businesses in the UK with over 50 employees, an increase of c.17% over the last decade. Their professional services needs are varied. These include audit and assurance, tax advice, pensions and employee benefits, support with merger and acquisitions, raising capital and restructuring and turnarounds.

Figure 3: Growth of UK private businesses with over 50 employees (thousands of companies)



Source: Business Population Estimates, ONS/Dept. of BEIS

While our addressable market is very sizeable, it is also highly fragmented in terms of the participants operating within it.

According to data released by the Financial Conduct Authority (FCA) in July 2022, there are 5,000 financial advice firms in the UK providing advice on retail investments, of which 89% had five or fewer advisers and less than 1% of firms had 50 or more advisers. We are in the latter group, with 278 financial planners and 313 investment managers.

It is also estimated that there are over 43,000 accountancy firms in the UK, c80% of which have 4 or fewer employees. Only 160 firms are estimated to have more than 100 employees. With 474 qualified professional services colleagues and partners, we are one of the larger UK accountancy practices outside the Big Four (fifth in the Accountancy Age Top 50+50 Accountancy Firms 2022 rankings as measured by Group revenues).

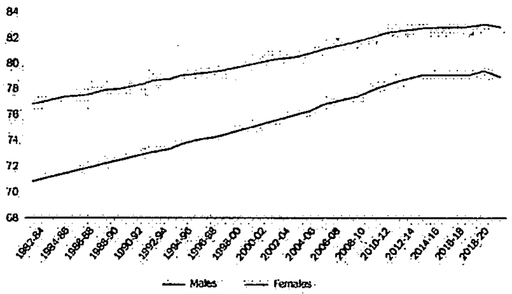
Although we are one of the largest and fastest growing UK wealth management and financial advice firms, as well as a significant UK professional services business, our market share is still small in what remains a huge but fragmented growth market. We therefore believe the long-term growth opportunities for our businesses are excellent.

Market Trends

Demographic change

The UK has an ageing population, reflecting both a sharp decline in birth rates since the 1960s and a significant increase in life expectancy. This has created a powerful impulse for making long-term savings and investments in order to achieve financial security in retirement, which has contributed to rising wealth among older generations. At the other end of the spectrum, high property costs and graduate debts mean many younger people are struggling to start building their personal wealth.

Figure 4: Average UK life expectancy



Source: ONS

How we are responding

We have developed a broad range of services to enable us to support clients at each stage of their lives and as part of this we seek to build multi-generational partnerships with families. Through our expertise in estate planning and tax, we advise families on inter-generational wealth transfers.

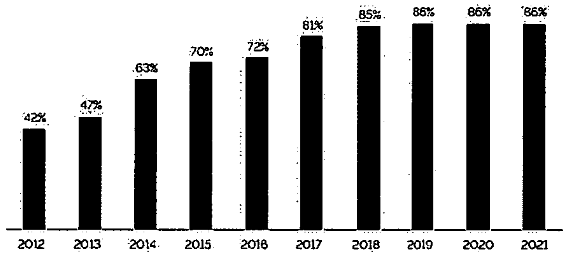
Our digital service, Bestinvest, enables us to support a much younger cohort of clients than most traditional wealth management businesses, and it has allowed us to evolve the way we support them as their needs and circumstances change. We have enhanced this service by incorporating free access to coaches who are qualified financial planners, digital goal planning tools and projections to enable investors to see if they are on track to achieve their goals. Clients requiring personalised advice are able to purchase competitively priced advice packages. The relaunched Bestinvest enables us to support a wider segment of the population, including younger investors. This supports our purpose *'to place the power of good advice into more hands'*.

The evolving pensions landscape

Access to private sector defined benefit pensions has been in steady decline for decades. Instead, most workplace pensions are now defined contribution schemes where the employee accumulates assets through an investment fund, with the employer contributing alongside them. This shift in the burden of risk to the individual and less predictability in outcomes has increased the need for advice and guidance.

The growth of private defined contribution pensions has been further boosted by auto-enrolment into workplace pensions. Since 2012, when auto-enrolment began, the proportion of eligible UK private sector employees participating in workplace pensions has grown from 42% to 86% in 2021 (source: ONS, July 2022).

Figure 5: Eligible private sector employees participating in workplace pensions



Source: DWP / ONS ASHE

The 'Pension Freedoms' reforms introduced in 2015, which ended the requirement to use a defined contribution pension to purchase an annuity, have provided retirees with more choice and flexibility in how they access their benefits. The majority of retirees have since chosen income drawdown on their pensions in retirement and are therefore remaining invested rather than making the one-off purchase of an annuity. This trend will extend the ongoing relationship between clients and their wealth managers by decades.

How we are responding

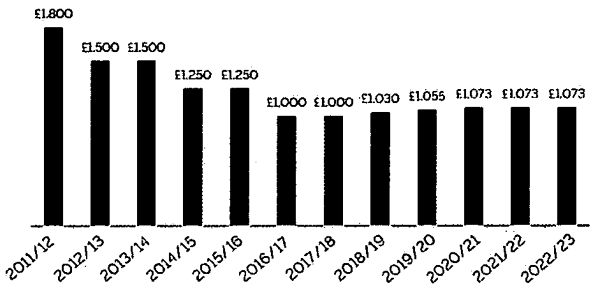
A more fluid employment landscape means that the typical individual will now change jobs multiple times over their working lives, accumulating a number of pension arrangements. We have therefore created a broad range of pension advice and support services. These have been designed to support companies with group pension advice and individuals with both the consolidation and management of pension assets, whether they wish to self-manage their pension, take advice or have their pension managed for them. The breadth of our service offering means we can support clients from across the wealth spectrum with the consolidation and management of their pension assets.

Increasing complexity

Both businesses and individuals are facing increased complexity in their financial affairs as a result of changes to taxes, regulatory change and the ever-expanding range of investment solutions. For example, annual pension contribution allowances and the Lifetime Allowance (see Figure 6) have been reduced over the last decade. The introduction of a tapered allowance in 2016 has severely restricted access to pension tax relief for the highest earners and the nil rate band for inheritance tax has been frozen since 2009.

Significant changes to both personal and business taxes were announced in the Autumn Statement of 2022, as part of the Government's efforts to address the costs of the COVID-19 pandemic. These changes included the reinstatement of the increases in corporation tax, a reduction in the threshold for paying 45% income tax and personal allowances and other tax bands frozen until 2028. As the UK is estimated to see the highest tax burden since the second world war, this new environment increases the need for effective tax planning.

Figure 6: Reductions in the Pensions Lifetime Allowance (£ millions)



Source: HMRC

How we are responding

We have embedded a collaborative approach across our wealth management and professional services teams to support clients with a holistic, tailored and joined-up service that caters to their needs – both for their personal finances and in relation to their business interests. Our comprehensive range of expertise in private client and business tax advice, financial planning and investment management enables us to help entrepreneurs, senior professionals and wealthy families navigate a world of increasing complexity. Through Bestinvest we also provide a range of tax-efficient accounts, including ISAs, Junior ISAs, SIPPs, as well access to Venture Capital Trust new issues for the wider public and non-advised investors.

Regulation and risk

The regulatory environment in which we operate is continually evolving. In particular, regulators have focused on consumer protection and greater transparency on costs and fees. Further to this, there is the need to implement robust controls over data security, as well as vigilance to protect against the risks of cyber-crime and money laundering. For financial services firms, the increase in stringent regulations and the pace of change have demanded that robust risk frameworks are in place, high standards of conduct are embedded in business culture and increased resources are committed to compliance and risk functions. In the professional services sector, there is an increasing focus on the independence of auditors and the potential for conflicts of interest. As a result of this trend and evolving ethical standards, there are greater opportunities to provide advisory services to clients of the largest firms.

How we are responding

We welcome regulatory developments that improve client outcomes, strengthen accountability and reinforce consumer trust (see page 28 for our response to Consumer Duty). We have proactively embedded high standards of conduct into our culture, specifically focusing on our approach to appraisals and remuneration. As the regulatory environment has evolved and we have grown in scale, this has required investment in resources and training. We have invested in compliance, risk management, cyber-security and systems and processes. All our colleagues are required to undertake regular, mandatory training to ensure they are familiar with developments in the regulatory and legal environment and are acutely aware of the risks and responsibilities incumbent in a regulated financial services business.

Consolidation and scale

The market in which we operate is highly fragmented. Most firms are small in size, often owned by advisers who are approaching retirement age. The rising burden of regulation and the imperative to invest in new technology are creating cost pressures for small and medium-sized firms in a competitive market, which in turn is driving further consolidation.

How we are responding

We have been at the forefront of consolidation within the wealth management sector in recent years. We have acquired a number of high-quality businesses of varying sizes, from small bolt-ons to sizeable mergers. We have developed both an in-house mergers and acquisitions (M&A) capability and a strategic programmes team experienced in successfully managing integrations. We will continue to explore selective M&A opportunities where the cultural and strategic fit is right, and where the ability to create value is compelling.

With the typical financial adviser in their mid-to-late fifties, we have launched a programme to attract advisers approaching retirement that provides them with an opportunity to find a new home for their clients as part of a gradual and orderly handover. Our scalable platform and breadth of service offering makes us an attractive destination for adviser-led businesses, who recognise the benefits that an enhanced proposition and easy-to-use digital platforms will bring to their ability to service their clients.

Digital transformation

Across many sectors, new technology has disrupted traditional business models. It represents a major opportunity for those who successfully harness it, yet it is also a threat for those who fail to invest and adapt. The fragmented nature of our sector has led to historical underinvestment in new technology.

In our market, digitalisation creates opportunities to transform the way clients are supported, empower practitioners with real-time insights, improve productivity and develop services that cater to a much wider segment of the population in a way that is cost effective.

How we are responding

We have invested heavily in our digital channels and integrated platforms in recent years, including the implementation of XPlan at Tilney and Avaloq at Smith & Williamson. Building on our programme of implementing new financial planning and investment management systems, we have created an integrated financial services platform. We are now completing the migration of assets onto it. This provides us with a front-to-back solution including reporting, execution, settlement and in-house custody. It is completely tailored to our needs, scalable, and is able to support both financial planners and investment managers.

We also have an active programme of technology enhancements in our Professional Services business, with the implementation of a new, integrated 'Ignite' platform and the digitalisation of our tax return service.

We have invested heavily in the development of Bestinvest which was relaunched in May 2022. New features include digital goal planning tools and projections to enable investors to see if they are on track to achieve their goals. We have combined these features with virtual meetings with coaches who are qualified financial planners, booked online. Clients requiring personalised advice are also able to purchase competitively priced advice packages. Together we believe this new digitally-led service represents exceptional value and will help address the UK's advice gap, particularly for younger and/or self-directed investors.

Changing client needs

The needs of clients are constantly evolving, particularly in the way they wish to interact with businesses. The COVID-19 pandemic has rapidly accelerated the pace of change in this respect.

How we are responding

We have developed an online portal and mobile app which saw a significant increase in user numbers during the pandemic, driven by the lockdowns and reduced use of postal services. Following the integration of our systems, this will be made available to legacy Smith & Williamson clients. Our app has multiple features including providing clients with access to valuations and analysis of their portfolios at their convenience as well as secure messaging.

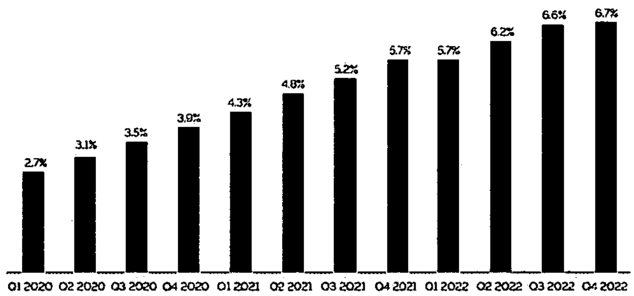
We embraced the use of virtual meetings and webinars during the COVID-19 pandemic and are continuing to make use of these channels for engaging with clients, alongside offering face-to-face meetings subject to client preferences.

Our new enhanced service proposition for Bestinvest provides clients with a combination of digital tools and guidance with access to a free coaching service. The new service enables coaching meetings to be booked and held online, with clients able to complete both a digital fact find and risk assessment ahead of the virtual meeting.

Growing demand for ESG strategies

There is growing interest in investment strategies that apply environmental, social and governance (ESG) factors in the investment selection and portfolio construction process. While concern about climate change and the environment are major drivers of this, social factors, business ethics, responsible investment and supply chain management and corporate governance are important factors too.

Figure 7: Growing demand for Responsible Investment funds, % share of total UK industry AUM (Source: The Investment Association)



How we are responding

We are committed to being at the forefront of responsible investing in the UK wealth management industry. We are signatories to the UN Principles of Responsible Investment (UN PRI) and have integrated consideration of ESG factors into our overall investment process. We believe that companies with high standards of governance and corporate behaviours, sustainable business models, and which make a positive contribution to the communities they serve and operate within, are less risky long-term investments. As responsible investors, we are engaged in the stewardship (active ownership) of the businesses in which we invest on behalf of our clients, and we exercise our influence as shareholders to encourage best practice.

We have been managing ESG and sustainable investment strategies for over a decade.

Our range of ESG and sustainable solutions include bespoke investment management, where both positive and negative screening are applied, two sustainable OEIC funds and a Sustainable Managed Portfolio Service (SMPS) with a 12-year track record. The SMPS range provides financial advisers with access to a suite of sustainable discretionary investment management strategies to cater for different client risk and goal profiles. The range is available on an extensive range of platforms.

Our Client Focused Business Model

Our Resources

People

Our people are our most important asset. We are committed to providing them with the resources they need to support the delivery of a high quality, personalised range of services to our clients. We support their continued development and provide both in-house training and study programmes for professional qualifications. We are deeply committed to fostering a culture that is collaborative, inclusive and diverse so that we both attract and retain the very best talent from a wide range of backgrounds.

Reputation

Our reputation as a trusted adviser with high standards of professionalism is integral to our success. Our reputation has been built over many years and we regard it as a key asset. We monitor trust through a client care programme that combines both face-to-face and online interviews. Results are analysed to identify areas for improvement. We monitor our external reputation through brand health check surveys and track media mentions and sentiment.

Technology

We have invested heavily in state-of-the-art technology to enhance client service, improve efficiency and develop new services that will help us *'to place the power of good advice into more hands'*. Our technology investments were key to our operational resilience throughout the COVID-19 pandemic when we moved swiftly to a remote working model to protect our people and clients. Our technology investments are also the key building blocks on which the responsible investment process and client sustainability preferences will be integrated within portfolios in the years ahead.

Financial strength

Our business model is underpinned by our financial strength. We rank as the second largest UK wealth manager by adjusted EBITDA based on the most recently reported full year data for our listed peers, and we have significant excess regulatory capital comprising surplus cash resources. Our financial position has enabled us to invest in technology and people to support continued growth underpinned by a robust operational platform.

Local presence

We are able to support clients living across the UK, as well as in Ireland and the Channel Islands, through an extensive network of 32 offices in 28 towns and cities. Since the merger we have co-located former Tilney and Smith & Williamson teams in Birmingham, Belfast, Bristol, Guildford and London. We have also opened new offices in Brighton and Cardiff.

What We Do

Help people achieve financial security

We help people achieve financial security by developing robust financial plans to achieve their goals. We support clients with different preferences; whether they wish to fully delegate the management of their investments to us, work with a trusted adviser or by providing them with the support they need to help them make their own decisions.

Manage change

Life is unpredictable and personal circumstances may necessitate adapting to change quickly. This may be because of ill health, divorce, the loss of a loved one, or as a result of an inheritance or other windfall. Our business clients may require support with a restructuring or turnaround, the sale of a business or help raising capital.

Transfer wealth

We help people transfer their wealth including supporting family members with education costs, buying a home or starting a business. We also help people pass on wealth to their dependents and the causes they care about in a tax efficient way, or the transfer of a family business.

Tax planning

In a world of increasing tax complexity and frequent tax legislative changes, we help both personal and business clients manage their tax affairs by making use of the various allowances available to them.

Support entrepreneurs

We help entrepreneurs scale-up their businesses and in so doing create jobs and wealth. Our experts advise on a wide range of areas including strategy and structure, employee incentives, tax planning, financial and back-office outsourcing, transactions and capital raising.

Enhancing established businesses

We help businesses with their evolving needs as they grow and mature. This may include international expansion, succession planning, a management buy-out, or preparation for a sale or purchase of a business. We support business owners seeking an exit with our multi-disciplinary expertise in tax, financial planning and investment management.

Supporting businesses facing difficulties

Where a business runs into difficulty, getting the right advice as early as possible increases the chances of avoiding insolvency, protecting jobs and minimising losses for creditors. We help businesses mitigate the risk of failure by implementing turnaround or restructuring plans.

What Differentiates Us

Culture and values

We focus on putting our clients' interests first and are committed to fostering a culture anchored around the values of providing a highly personal service, building partnerships and striving to deliver excellent performance in everything we do. Find out more on page 3.

Breadth of proposition

We are a highly differentiated business, operating across wealth management and professional services. Our proposition is unrivalled in our market, enabling us to support clients with both the management of their personal wealth and their business interests.

Our strength is rooted in the depth of our expertise across multiple disciplines and our ability to assemble a team of experts to support our clients, including financial planning, investment management, tax advice and a wide range of business services. See 'Our Core Services' on page 11.

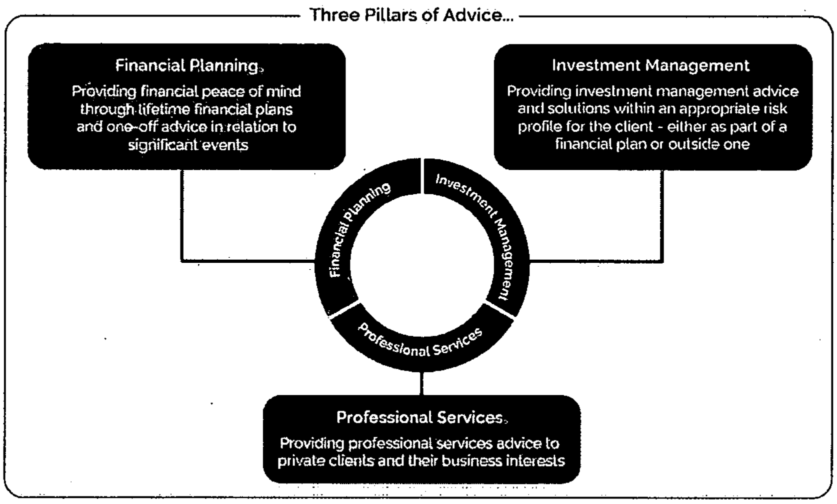
Diversity of clients

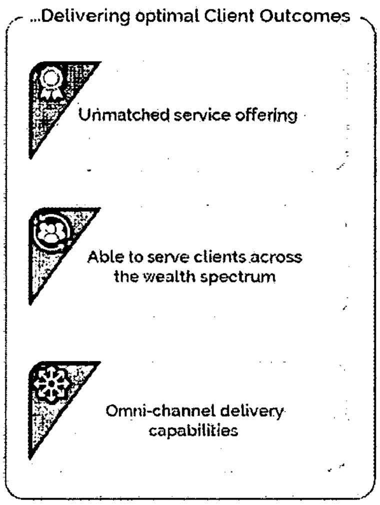
We have a diverse client base comprising over 177,000 private clients, entrepreneurs, family-owned businesses, corporates, trusts and charities. We often work in close partnership with firms of financial advisers and other professionals such as lawyers, accountants and trust companies, who value our specialist expertise.

The breadth of our service proposition means that we support a broad client base in terms of age groups, levels of wealth and location. We offer them a range of services at each stage of their lives and adapt as their needs evolve. Our clients include young people investing online as they build their financial wealth at the start of their financial lives to entrepreneurs, established businesses, and wealthy families who may require bespoke advice. Many have been clients across multiple generations.

A modern integrated digital platform

We have invested in developing our operational platforms to create a modern, efficient and highly scalable business. We believe this provides us with a competitive strength in a fragmented industry that has historically underinvested in new technology.





Our Core Services

Financial Services

Financial planning	Our financial planners advise on a wide range of areas. These include pensions and retirement planning, inheritance tax mitigation and estate planning, tax efficient investing, gifting and philanthropy, the financial impact of life changing events (e.g. divorce, serious illness) and protection.
Investment management	We provide discretionary investment management services to private clients, trusts, businesses and charities. The dedicated investment manager will construct and manage a bespoke portfolio to meet the specific objectives for each of our clients. ESG factors are integrated alongside traditional financial metrics.
Investment advisory service	Our investment advisory services are designed for clients who want to retain control over investment decisions but who would like the support and recommendations of a dedicated investment adviser.
Pooled funds	We offer an extensive range of multi-asset open-ended pooled funds to suit different risk and goal profiles, including two sustainable investment strategies.
Managed portfolio services (MPS)	Our range of MPS strategies, which includes a sustainable MPS range, provide financial advisers with outsourced investment management solutions for clients at low minimum asset thresholds. These are available on an extensive range of platforms.
Execution-only investing	Bestinvest is a digital service that provides tools and analysis to support clients who choose to self-manage their investments alongside free access to investment coaches. An extensive range of funds, UK shares, ETFs and investment trusts are available, including fully managed ready-made portfolios, through a variety of account types including ISAs, SIPPs and Junior ISAs.
Pensions and employee benefits	We provide advice to businesses to help them ensure the relevant pensions and benefits are in place to attract and retain colleagues.

Professional Services

Assurance and business services	We provide assurance and business services, including audit, advisory consulting and business outsourcing, to entrepreneurial companies, professional practices and non-profit organisations.
Tax	We provide expert tax advice to both private clients and businesses to help them manage their tax exposure and ensure their tax affairs are in order in an environment of constant change and increasing complexity.
Advisory	We provide an extensive range of business advisory services, including corporate finance and transaction advice, valuations and financial modelling, restructuring and recovery services, forensic services and financial due diligence.

Fund Solutions

Fund solutions	Evelyn Partners Fund Solutions Limited offers a full-service fund administration solution for UK collective investment schemes (such as OEICs/Unit Trusts) taking regulatory responsibility for the establishment and ongoing servicing of the funds for which it acts as the Authorised Corporate Director (ACD) or equivalent.

Our Growth Track Record

Evelyn Partners is one of the fastest-growing firms in the UK wealth management market when measured on assets under management growth (Source: PAM Insight) and compared to listed peers. Over the last nine years our assets under management have grown more than tenfold from £5.0 billion to £53.0 billion. The graphic at the bottom of this page illustrates how both larger M&A transactions and organic growth have contributed to this, demonstrating the strength and breadth of our offering and our ability to identify and successfully integrate high quality business acquisitions.

The complete adviser

As our business has grown, we have developed a comprehensive advice model to cater for both the personal financial affairs of clients and their business interests. Our suite of services and expertise comprises financial planning, investment management, DIY investing, tax advice, professional services and fund administration. This model allows us to provide a truly holistic and comprehensive service to our clients that can adapt through each stage of their lives and as their circumstances change. It is a model that has also deepened our participation across the advice and value chain, and one which we believe will lead to longer, direct relationships, including across multiple generations.

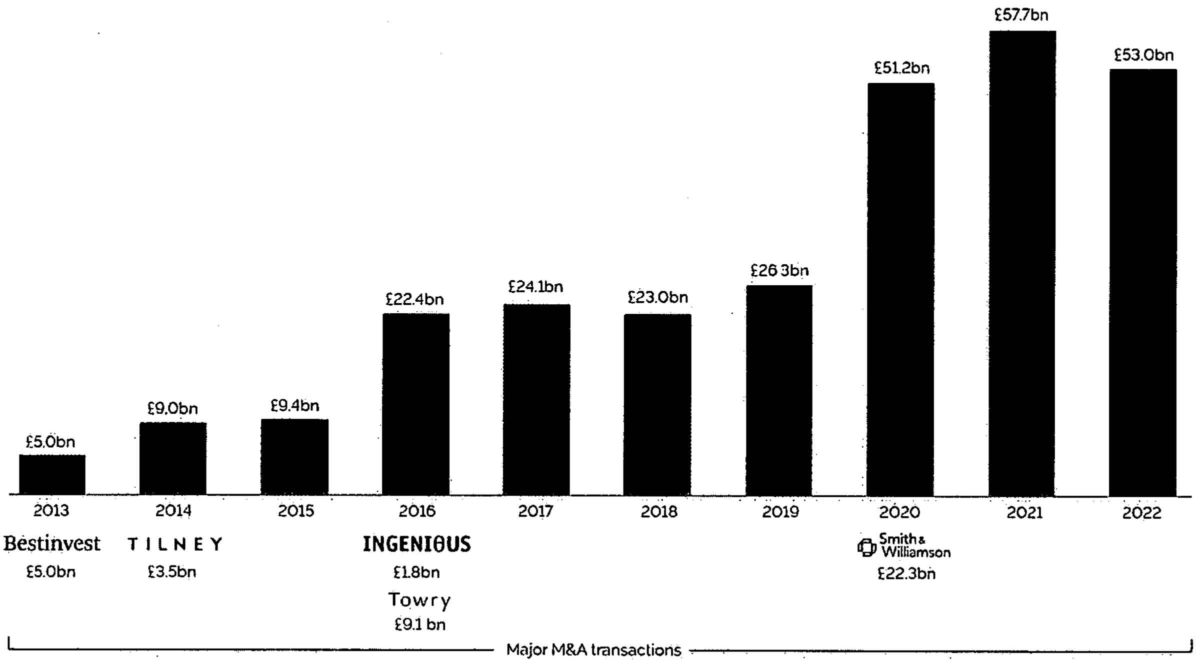
Our growth has been achieved through consistently positive net new business generation and a strong track record of successful mergers and acquisitions.

Organic growth has been delivered through referrals from existing clients and high levels of client retention, a testament to the strength of our reputation, as well as the relationships we have built with professional connections including lawyers, accountants and financial advisers in the UK and overseas.

Our marketing and new lead generation activities include digital marketing, seminars and webinars, as well as working with affiliate introducers and establishing partnerships with trade associations and professional bodies.

In an industry that remains fragmented and is ripe for continued consolidation, we have been active in mergers and acquisitions. In recent years, we have successfully completed a variety of transactions. These range from bolt-on acquisitions of high-quality small firms, business asset transfer agreements, migrating the clients of retiring financial advisers to us and large-scale mergers. We have developed strong in-house expertise in both structuring and executing transactions and successfully managing complex business integrations. We will continue to explore and evaluate M&A opportunities, where we believe the strategic and culture fit is compelling.

Growth in assets under management and major M&A timeline



Chair's Statement

Chris Grigg - Chair

The power of good advice

In last year's annual statement, I wrote that there were good grounds for optimism that the worst of the COVID-19 crisis was over. While thankfully that has proven to be true, any hopes that 2022 would see a return to a semblance of normality in the macro-economic environment rapidly faded with inflation gathering pace and Russia's invasion of Ukraine. In 2022, a global health crisis has been replaced by both a cost-of-living crisis and geopolitical uncertainty.

Clients have certainly had a lot to contend with during this difficult climate with real incomes being squeezed by higher borrowing costs, as central banks have hiked interest rates, and volatile markets. Now they also face the burden of increased taxes too. In such financially challenging times, the importance of getting sound, expert advice to help navigate choppy waters is highly valued by our clients, so 2022 proved to be an exceptionally busy year for our teams.

In a business like ours, our people are without doubt our greatest asset. I would like to pay tribute to the dedication they have shown in supporting our clients throughout this challenging environment. We are very proud to have such a high calibre, and growing, team of professionals.

Resilient financial performance

The strength of our advice-led approach is demonstrated in the resilient performance of the business in the face of economic and market headwinds. In our Financial Services business, we generated a very healthy £2.3 billion of net inflows (2021: £2.5 billion) and we also saw excellent growth in our Professional Services business. This drove a 7.1% increase in Group operating income to a record £600.8 million (2021: £560.8 million).

Adjusted EBITDA, calculated on the basis set out on page 19, which is indicative of cash profitability, was £184.3 million, a decrease of 2.2% for the year (2021: £188.4 million). Our profit after tax for the year was £45.4 million (2021: £16.8 million) after acquisition and integration costs of £26.3 million (2021: £24.8 million) (note 7), strategic consultancy services of £5.8 million (2021: £nil) (note 8), head office relocation costs of £2.3 million (2021: £3.9 million) (note 21), custody consolidation costs of £0.4 million (2021: £nil) (note 9) and finance costs of £2.8 million (2021: £3.3 million) (note 15).

Financial performance is discussed further in the Chief Executive Officer's Review on page 16 and in the Financial Review on pages 21 to 26.

Building our brand

In last year's Annual Report, we set out our decision to rebrand from Tilney Smith & Williamson to Evelyn Partners. This was a major development for the Group, especially in the context of the rich heritages of the two merged businesses. The move to the new brand visibly signifies that we are truly one firm, proud of our roots yet firmly looking forward to the future, united by a shared purpose and set of values.

The rebrand took effect on 14 June 2022 and has been well received by both clients and colleagues.

Undergoing a major rebrand like this was an enormous undertaking, involving thorough research, creativity, and a considerable amount of detailed change. This was executed to a very high standard, with the work primarily undertaken by in-house teams. We have been delighted by the visibility that the new Evelyn Partners brand has already gained in the market. As at the end of the year, less than six months since launch, Evelyn Partners had received mentions in 3,179 press articles and prompted awareness levels were at a similar level to those previously received by Tilney and Smith & Williamson. This is an excellent start to the new brand, on which we will continue to build.

I would like to thank everyone involved with successfully bringing the new brand to life.

Our culture

As I wrote last year, the Board is firmly of the belief that a strong culture based on a shared sense of purpose and set of values is fundamental to the success of the business. Furthermore, we had announced our statement of purpose as *'to place the power of good advice into more hands'*. This was underpinned by three core values: Personal, Partnership and Performance, which we explain on page 3.

As key stakeholders in the business, we conduct regular colleague surveys to take the pulse of the organisation. It has been particularly pleasing to see in our most recent survey that our purpose and values have become strongly embedded in the organisation with 73% of colleagues stating that they understand and believe in our statement of purpose and 75% stating that they believe the firm lives the values of Personal, Partnership and Performance.

We will continue to embed our values throughout the organisation, with assessment against these behavioural attributes now part of the appraisal processes.

A robust governance framework

Alongside a strong purpose-driven culture, we also believe in the importance of a robust corporate governance framework. Details of our governance structures are set out in the Corporate Governance Report on page 76, and we have also explained how the Board has engaged with our key stakeholders during the year in our Section 172 Statement on pages 35 to 37.

Enhancing ESG oversight

Since the merger, we have made great strides with our corporate responsibility and environmental, social and governance (ESG) agenda. This is built around four pillars:

- Environment
- Responsible Investing
- People
- Charities and Communities.

A key development in our governance framework this year has been the creation of a new Board ESG Committee, which I chair, to enhance the Board's oversight of ESG. I am also the Board ESG Champion with responsibility to stimulate debate and lead the agenda on ESG at the Board level.

Further details on our activity under each of our ESG pillars, our ESG policy, environmental management framework and Environmental Policy are detailed in the Corporate Responsibility Report on pages 38 to 65, as well as in our separate Corporate Responsibility Report which is available on our website at evelyn.com.

Preparing for the Consumer Duty principle

As a firm that has long focused on putting our clients first, we are firmly supportive of the Financial Conduct Authority's introduction of a new Consumer Duty principle. This overarching principle requires firms to put customer needs first and sets higher standards of client care and good outcomes across the sector. There are wide ranging requirements for firms to review their products, communications, customer journeys and to consider changes to governance, reporting, pricing, product design, distribution, and training.

A considerable amount of work has been undertaken to prepare our Consumer Duty implementation plan and the firm is now in the execution phase of this work. At the Board level, we have appointed the Chair of the Risk and Audit Committee, Carla Stent, who is an Independent Non-Executive Director, as the Consumer Duty Champion.

Board changes

There were three changes to the composition of the Board during the year.

As reported last year, I was appointed Chair of the Board on 18 February 2022 having become a Director in August 2021.

On 9 September 2022, Kjersti Wiklund was appointed as an Independent Non-Executive Director. Kjersti is a highly experienced Director who brings a wealth of technology and business experience to the Board. To this end, we have established a Board Digitalisation Forum, chaired by Kjersti, to focus on the Group's digitalisation journey. You can read more about Kjersti's experience on page 68.

A third change was the resignation of Bill McNabb as an Independent Non-Executive Director on 18 November 2022. I would like to thank Bill for his time as a Director and for giving us and the management team the benefit of his considerable experience and wise counsel.

Executive management team

The year also saw two changes to the composition of the Group Executive Committee (GEC), with the appointment of Andrew Wilkes, as Chief Professional Services Director, and Charley Davies, as Group General Counsel.

Andrew, who was previously Head of Tax at the firm, replaced Susan Shaw in the role ahead of her retirement in the spring of 2023.

Charley joined us in September 2022, taking over the role of Group General Counsel from Nicola Mitford-Slade ahead of her retirement.

I would like to thank both Susan and Nicola for the considerable contributions both have made over many years and wish them well in their retirements.

We also made three external hires to senior management roles across group operating companies during the year. In the Republic of Ireland, we welcomed Fiona Sweeney as the new Chief Executive of Evelyn Partners Investment Management (Europe) Limited, our EU domiciled investment business, and John O'Callaghan joined us from BDO as the new Managing Partner of our Professional Services arm in Ireland. Neil Coxhead joined us from Waystone as Chief Executive of Evelyn Partners Fund Solutions Limited, which offers full-service fund administration services for UK collective investment schemes.

Looking ahead

While in the near-term the economic outlook remains challenging and taxes in the UK are also set to rise, Evelyn Partners is exceptionally well positioned to support both individuals and businesses with advice to address this environment and beyond.

We have an unrivalled service proposition in our sector, underpinned by deep expertise in financial planning, investment management and personal tax advice, as well as services for businesses that include business tax, employee and pension benefit consulting, turnaround and recovery and restructuring advice. Our management team is excited by the potential for increased cross-referral between our Financial Services and Professional Services businesses.

The Group has demonstrated its ability to continue to generate significant new business in times of uncertainty, merging during a global pandemic and having traded well during a year of very high inflation and volatile markets. We have a created an operational model that is both robust and highly scalable, with further benefits to come as we continue with our digitalisation agenda.

I therefore remain confident about the future and the growth opportunities that lay ahead for Evelyn Partners.

Chris Grigg
Chair

3 March 2023

Chief Executive Officer's Review

Chris Woodhouse – Group Chief Executive Officer

Introduction

The year ended 31 December 2022 is the first time that we have reported our full year financial statements as Evelyn Partners Group Limited, having rebranded from Tilney Smith & Williamson on 14 June 2022.

The business performed well in 2022 despite a challenging macro-economic and market backdrop. Our resilient financial performance during a year of weak markets, demonstrates both the strength of our business model and is a testament to the value that clients place on expert advice in times of uncertainty.

I would like to thank all our colleagues for their continued unwavering commitment to supporting our clients, as well as thanks to our clients themselves for entrusting us with their affairs.

The market environment

Soaring inflation loomed large over the global economy and markets during the year, having begun to rise in 2021 as economies rebounded from the COVID pandemic. The inflationary surge gained further impetus with Russia's war on Ukraine, which led to spiralling energy and food prices. In the UK, Consumer Price Index inflation peaked at 11.1% in the year to October 2022, the highest level in four decades.

As central banks sought to tackle inflation by aggressively raising interest rates and unwinding stimulus programmes introduced at the peak of the pandemic, the abrupt end to a prolonged era of ultra-loose monetary policy triggered declines in most asset classes, including equities and bonds. UK based investors were partially cushioned from underlying declines on global markets by currency movements. On a total return basis, in Sterling terms, the MSCI World Index of global equities returned -7.4% during 2022 and the Bloomberg Global Aggregate Bond Index returned -5.7%.

AUM and business flows

We ended the year with £53.0 billion of assets under management (AUM), down from the start of the year (£57.7 billion). However, adverse market movements were partially offset by continued strong new business inflows. We generated £5.4 billion of gross new money, representing 9.4% of opening assets (2021: £6.0 billion) and net flows, which take account of outflows, were also positive at £2.3 billion (2021: £2.5 billion). The resilience of our new business generation during a period of weak markets is indicative of the value that clients place on trusted, professional advice.

Group financial performance

With 85% of our Financial Services operating income recurring in nature and linked to AUM, market declines were a headwind. Despite this, we delivered another year of strong financial performance. Group operating income rose by 7.1% to a record level of £600.8 million (2021: £560.8 million) driven by growth in both Financial Services and continued momentum in Professional Services. Operating income from our three segments comprised £431.8 million from Financial Services (2021: £414.5 million), £159.8 million from Professional Services (2021: £134.7 million) and £9.1 million from Fund Solutions (2021: £11.6 million). I am encouraged by the strength of the performance across the businesses, which bodes well for further success in 2023.

The Board regards adjusted EBITDA, calculated on the basis set out on page 19, as an appropriate measure of the underlying financial performance of the business and which therefore forms a key measure to assess the management team. It adjusts for non-cash accounting charges and non-recurring separately identified operating costs (defined on page 22), such as those incurred on transactions and business integrations.

Adjusted EBITDA was £184.3 million, a slight decrease of 2.2% compared to the prior year (2021: £188.4 million). Adjusted EBITDA as a percentage of operating income, which we regard as a measure of profitability and efficiency, was 30.7% (2021: 33.6%). This compares favourably to our publicly listed peers.

Operating profit for the year, after separately identified operating costs that are non-recurring in nature, as well as non-cash items comprising amortisation and depreciation, was £53.5 million (2021: £50.9 million).

Consolidated total equity as at 31 December 2022 was £1.4 billion (31 December 2021: £1.4 billion).

Further detail on our financial performance and a reconciliation of our adjusted EBITDA to our reported operating profit is provided in the Chief Financial Officer's Financial Review on pages 21 to 26.

Rebrand to Evelyn Partners

As I mentioned earlier, the rebrand took place on 14 June 2022. The move to the new brand undoubtedly represented a significant moment for the Group. It confirmed that the integration of Tilney and Smith & Williamson had completed and that we are now one firm, able to offer our combined range of services to all our clients and united by our shared purpose.

To build awareness of the new brand, we ran a brand advertising campaign in the second half of the year which included radio and newspaper adverts, billboards, digital display advertising and social media with *'the power of good advice'* as the central theme. The campaign featured a variety of successful business figures sharing some of the advice they have received in life, with the key message being that best advice is from people who understand your values and goals.

Alongside the rebrand, 2022 also saw progress with a number of strategically significant initiatives. These included the enhancement of our client proposition with the relaunch of Bestinvest, the continued digitalisation of the business and gaining further momentum in our programme to attract advisers who own their businesses but are looking to retire.

Relaunch of Bestinvest

In last year's report, we set out plans to relaunch Bestinvest, our digital service for self-directed investors, as a hybrid service combining an array of digital goal planning tools with free access to coaches who are qualified financial planners.

The relaunch of Bestinvest went live in May 2022 with a new website and enhanced features. Alongside the ability to book virtual meetings with coaches, there is also the option to purchase fixed cost advice packages. The coaching service is proving popular with clients and differentiates Bestinvest from other self-directed investment platforms.

Alongside continuing to offer access to an extensive choice of funds, investment trusts, ETFs and shares, we extended the range of managed 'Ready-made Portfolios' available on Bestinvest with the launch of a new 'Smart' range comprising five multi-asset funds. These combine an active approach to asset allocation with investment through low-cost passive investments. When combined with a highly competitive account fee for holding Ready-made Portfolios, Bestinvest's overall pricing is highly competitive for managed portfolios compared to 'robo-advisers'.

To build awareness of Bestinvest, we launched a multi-channel promotional campaign around the theme "You work hard for your money, Bestinvest it" as well as launching a podcast series titled "Give us your goals".

We have also strengthened the commercial team working on Bestinvest with new hires. Further developments have taken place in early 2023, including a mobile app and adding US equities on to the platform.

Operational and digital transformation

In other areas we also made strong progress during the year with our wider programme of operational and digital transformation. The aim of this is to improve client experience, increase efficiency and the scalability of our business operations, as well enable us to take new propositions to market faster.

In last year's report I explained that we had created a new financial services platform, which we call Alpha, that provides front-to-back integration between reporting, settlement automation and in-house custody, with over 98% straight-through-processing. This lowers our cost to serve by over 3 basis points, while giving us greater control over client experience. Following the successful migration of a further 12,000 clients onto the Alpha platform during the year, we now have over £33 billion of assets on our in-house custody platform as at year end.

We also continued to focus on advancing the digital experience in our Professional Services business. Three notable areas were the deployment of a new solution for client on-boarding which reduces manual processes and provides greater insights for management reporting; the implementation of a new Document Management Solution which provides significant automation of tasks during the creation, distribution, and management of documents and, thirdly, a simplification of the performance management system infrastructure to improve the efficiency of timesheets and billing. These process efficiencies will save many hours of time for our practitioners while reducing risk and enhancing client experience.

Across the business we rolled out Microsoft Teams to unify legacy telephone and file sharing solutions into a single platform that enhances collaboration and communication. We also decommissioned our legacy data centres and consolidated them into a cloud solution that delivers enhanced resilience and strong security of customer data while facilitating colleagues being able to work from multiple locations.

New office locations

One of the strengths of the Group is our ability to deliver advice to clients close to where they live through our extensive office network. We remain committed to having a broad office footprint, alongside offering clients virtual meetings.

The year saw several significant developments in our office network, including relocations and the opening of a new office in Brighton. The latter makes us the only large national wealth manager to have an office in the City.

In May 2022, we completed the relocation of approximately 1,600 colleagues in London from our former premises in Moorgate and New Street Square to our new head office at 45 Gresham Street in the City. The new office has excellent client facilities and has been designed to support our 'smart working' model which enables colleagues to work collaboratively across multiple locations, including their homes.

In June 2022, we completed the relocation of colleagues from our two previous offices in Birmingham to 103 Colmore Row, the tallest building in the city and one of the most energy efficient commercial buildings in Birmingham. In August 2022, we moved to larger premises in Newcastle at St Ann's Quay, to accommodate our fast-growing business in the northeast of England.

We also completed the fit-out of our new Belfast office at The Ewart, close to Belfast City Hall.

In Glasgow, we signed terms for new premises at 177 Bothwell Street. This is a landmark development which will enable us to relocate the 350 colleagues from our two existing offices in the City in the summer of 2023.

In choosing new premises, environmental sustainability is a key consideration, as we seek to achieve Net Zero GHG emissions on our corporate operational footprint. Our new premises in London, Birmingham, Belfast and Glasgow are each rated "Excellent" under the Building Research Establishment Environmental Assessment Method (BREEAM), which is the world's leading sustainability assessment method for buildings.

Investing in talent

We continued to hire new talent during 2022 to support future growth. Headcount increased 11.2% to 3,600 at year end, which includes 278 financial planners, 313 investment managers and 474 qualified professional services colleagues.

Attracting additional partners is a key component of our growth strategy in professional services. During the year, we hired 14 new Partners, enabling us to add new practices areas as well as strengthen existing ones.

Strong momentum with retiring adviser programme

In last year's report, we announced that we had launched an initiative to attract financial advisers who own their businesses, providing them with an opportunity to migrate their clients to us as a new long-term home. Under the scheme, advisers typically join us in an ambassadorial role for two years to help provide an orderly transition of their clients to a new adviser. The programme gathered momentum in 2022, with the owners of a further six firms completing deals to join us, bringing the total number of agreements since launching the scheme to eight.

Acquisitions activity

We continue to explore opportunities to grow the business through acquisitions. In 2022 we completed two small transactions. In April 2022, we acquired the trust and private client book of Seven IM in Jersey. In September 2022, we acquired the investment management business of Arena Wealth, a London-based specialist in advising sports and entertainment professionals.

On 31 January 2023, we reached an agreement to acquire Leathers LLP, a high-quality firm of Chartered Accountants and tax specialists, with offices in Harrogate and Newcastle. This acquisition is a strong fit with our business which will further develop our professional services presence in the north of England.

Outlook

After a highly challenging year, the near-term macro-economic outlook remains uncertain. While inflation has peaked, it remains elevated and much of the developed world is either in recession or at risk of a contraction.

However, it is in difficult periods such as these that we believe the value of sound financial and business advice and the need for a well-managed investment strategy become ever more apparent. As an advice-led firm we see opportunities in the current environment to attract new clients who recognise the need for professional advice or who have endured sharp losses managing their own investments.

With our strength and scale in financial planning and both private client and business tax expertise, we are particularly well placed to support people through the evolution of the tax regime. The changes announced in the Autumn Statement of November 2022 will see the UK tax burden reach the highest level since the Second World War in the coming years.

While there are economic headwinds, markets are forward looking and with inflation expected to abate during the year, there is an end point in sight for interest rate hikes. We are therefore cautiously optimistic about the prospect of a recovery in equity markets over the next 12-months. However, as we have demonstrated in 2022, our diversified sources of income, which include significant Financial Planning and Professional Services fees distinguishes us from our peers, enabling us to achieve a resilient financial performance even during a difficult period for investment markets.

We will continue to focus on the things that are within our control. These include building long-term partnerships with our clients, offering a diverse range of services, continuing to enhance client experience, attracting new talent and our ongoing digital transformation agenda. Alongside attracting new talent through recruitment and our retiring adviser programme, we will also continue to explore opportunities to grow the business through selective acquisitions of high-quality businesses where there is a strong cultural fit and the ability to create value.

Chris Woodhouse

Chris Woodhouse
Group Chief Executive Officer

3 March 2023

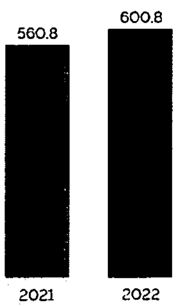
Key Performance Indicators

The Group considers and regularly reviews the following financial and strategic measures as key performance indicators (KPIs) of the Group's overall performance.

Some measures that assess the performance of the Group are not defined under IFRS so are termed 'Alternative Performance Measures' or APMs.

These growth and profitability KPIs are used to measure some of the Group's key risks identified on pages 29 to 34.

Operating income (£m)



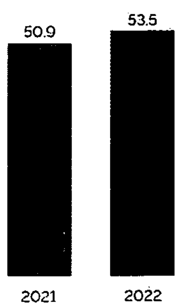
Definition

Total annual income from all operating activities.

Performance

Operating income growth was driven by increased Professional Services fees, custody fee savings and higher interest earned on client money, offset by the adverse impact on AMC fees from the significant fall in AUM during the year.

Operating profit (£m)



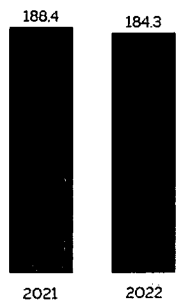
Definition

The reported operating profit or loss for the Group.

Performance

Operating profit growth was principally driven by an increase in operating income and prudent management of costs.

Adjusted EBITDA (£m)[1]



Definition

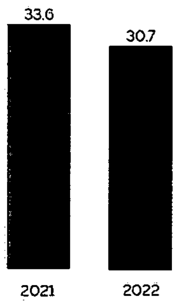
Operating profit before acquisition and integration costs (note 7), strategic consultancy services (note 8), head office relocation costs (note 21), custody consolidation costs (note 9) and amortisation and depreciation.

Performance

Adjusted EBITDA decreased slightly by 2.2% from the prior year to £184.3 million, principally due to a decline in market conditions.

1. This measure is considered an APM. Reconciliations to statutory financial information can be found on pages 21 and 22.

Adjusted EBITDA margin (%)[1]



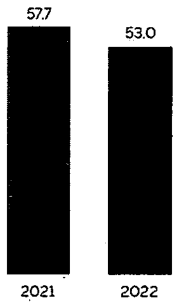
Definition

Adjusted EBITDA as a percentage of operating income.

Performance

Adjusted EBITDA margin fell to 30.7% due to challenging market conditions.

Assets under management (£bn)[1]



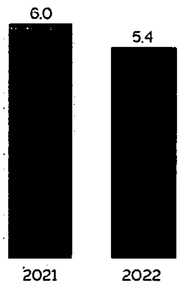
Definition

The total assets under management (AUM) at the end of the year.

Performance

AUM decreased 8.1% due to unfavourable market movements, offset by net inflows.

Gross new business inflows (£bn)[1]



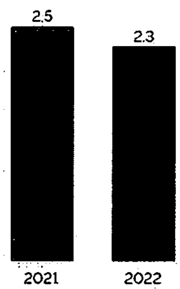
Definition

Gross new money from the Financial Services business.

Performance

Despite challenging market conditions, the Group continued to deliver strong new asset growth.

Net inflows (£bn)[1]



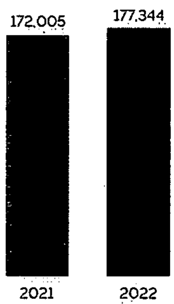
Definition

Gross new business inflows less outflows for the Financial Services business.

Performance

Net inflows were driven by strong gross new business inflows.

Number of clients[1]



Definition

The number of active clients at the end of the year who use our services.

Performance

The number of clients has increased by 3.1%, driven by an increase in Financial Services clients by 2.4%.

1. This measure is considered an APM. Reconciliations to statutory financial information can be found on pages 21 and 22.

Financial Review

Andrew Baddeley - Group Chief Financial Officer

In the Financial Review we consider the Group's results and performance for the year ended 31 December 2022, analysing key elements of the Consolidated Income Statement. We examine each segment's operating income and, in the case of Financial Services income, the AUM from which it is principally derived, followed by an analysis of the operating costs. We then provide information on the Group's financial position, such as intangible assets, defined benefit pension schemes, capital expenditure and capital requirements. Finally, we consider the Group's cash flow, financing arrangements and viability.

Group results and performance

This year the Group has delivered an uplift in operating income and continued strong net business inflows, against a backdrop of ongoing macroeconomic uncertainty and market volatility.

Operating income for the year grew to £600.8 million (2021: £560.8 million), driven by increased Professional Services fees, custody fee savings following the migration of assets to our in-house custody platform, and higher interest earned on client money, offset by the adverse impact on annual management charges (AMC) fees from the significant fall in AUM during the year.

Operating expenses increased to £547.3 million (2021: £509.9 million). Excluding acquisition and integration costs of £26.3 million (2021: £24.8 million), strategic consultancy services of £5.8 million (2021: £nil), head office relocation costs of £2.3 million (2021: £3.9 million) and custody consolidation costs of £0.4 million (2021: £nil), the increase was primarily due to the increase in staff costs.

As a result, operating profit increased to £53.5 million (2021: £50.9 million). Profit after tax for the year was £45.4 million (2021: £16.8 million).

Adjusted EBITDA, calculated on the basis set out on page 19, decreased by 2.2% to £184.3 million (2021: £188.4 million), principally due to a decline in market conditions. The adjusted EBITDA margin, which is calculated as the ratio of adjusted EBITDA to operating income, decreased to 30.7% (2021: 33.6%).

Furthermore, adjusted operating profit[2] decreased by 8.8% to £149.3 million (2021: £163.7 million).

Summary of financial performance

	2022 £m (unless stated)	2021 £m (unless stated)
Operating income	**600.8**	560.8
Operating expenses excluding adjusted[1] items	**(416.5)**	(372.4)
Adjusted[1] EBITDA	**184.3**	188.4
Acquisition and integration costs (note 7)	**(26.3)**	(24.8)
Strategic consultancy services (note 8)	**(5.8)**	-
Head office relocation costs (note 21)	**(2.3)**	(3.9)
Custody consolidation costs (note 9)	**(0.4)**	-
EBITDA	**149.5**	159.7
Depreciation and amortisation[3]	**(96.0)**	(108.8)
Operating profit	**53.5**	50.9
Net finance costs and other gains and losses	**(1.6)**	1.5
Profit before tax	**51.9**	52.4
Taxation	**(6.5)**	(35.6)
Profit after tax	**45.4**	16.8
Adjusted[1] EBITDA margin	**30.7%**	33.6%
Assets under management	**53.0bn**	57.7bn
Gross new business inflows	**5.4bn**	6.0bn
Net inflows	**2.3bn**	2.5bn

1 Adjusted items relate to acquisition and integration costs (note 7), strategic consultancy services (note 8), head office relocation costs (note 21), custody consolidation costs (note 9) and amortisation and depreciation.

2 Alternative Performance Measure calculated based on operating profit of £53.5 million (2021: £50.9 million), adjusted to exclude acquisition and integration costs of £26.3 million (2021: £24.8 million), strategic consultancy services of £5.8 million (2021: £nil), head office relocation costs of £2.3 million (2021: £3.9 million), custody consolidation costs of £0.4 million (2021: £nil) and amortisation of intangible assets - customer lists, brands and IFA relationships of £61.0 million (2021: £84.1 million).

3 Total depreciation and amortisation of £97.8 million (2021: £112.0 million) (note 10) less depreciation disclosed separately under head office relocation costs of £1.8 million (2021: 3.2 million) (note 21).

Explanation of adjusted EBITDA, adjusted operating profit, adjusted items

The executive management and the Board set targets for adjusted EBITDA and adjusted EBITDA margin along with other key performance indicators as performance measures for discretionary incentive plans for senior colleagues and the annual bonuses for the Executive Directors.

The Group uses adjusted EBITDA and adjusted EBITDA margin to measure and report on underlying financial performance. These measures exclude income and expense categories, which are deemed to be of a non-recurring nature or a non-cash operating item. Items excluded include depreciation and amortisation of intangibles, the costs of acquisition of companies, businesses and client relationships, and the costs of subsequent integrations. While the Board recognises that acquisitions and integration projects recur from time to time, the Directors consider that they arise from decisions that are outside the normal course of business. Accordingly, the associated expenses (separately identified operating costs) are excluded to reflect the underlying operating expense run rate incurred in the ordinary course of business. Separately identified operating costs are disclosed in the Consolidated Income Statement and notes as acquisition and integration costs (note 7), strategic consultancy services (note 8), head office relocation costs (note 21) and custody consolidation costs (note 9).

Amortisation of intangible assets - customer lists, brand and IFA relationships, have been excluded from adjusted operating profit as a significant non-cash item. Investors and analysts typically add back this cost when considering operating profits.

Tax

The tax charge for the year was £6.5 million (2021: £35.6 million) which, to determine the effective tax rate, compares to a profit before tax of £51.9 million (2021: £52.4 million). The effective tax rate before the impact of changes in tax rates for the year was 13.3% (2021: 20.3%) and was impacted primarily by the release of provisions for corporation tax of £3.5 million. A full reconciliation is set out in note 16 to the Consolidation Financial Statements.

Dividend distribution

The parent group's debt funding arrangements are held by Violin Debtco Guernsey Limited, a parent undertaking whose results are not consolidated in these financial statements. Dividends are paid by the Group in order to service the debt.

In determining the level of any proposed dividend, the Board takes into consideration that the Company has sufficient distributable reserves to pay the dividend, sufficient cash resources to fund the proposed dividend and that the Group remains compliant with regulatory capital requirements.

As at 31 December 2022, the Company's distributable reserves were £304.2 million (2021: £291.6 million).

A first interim dividend for the year ended 31 December 2022 of £17.5 million was distributed and paid to the Company's sole shareholder on 7 July 2022. A second interim dividend for the year ended 31 December 2022 of £20.0 million was distributed and paid to the Company's sole shareholder on 15 December 2022.

Separately identified operating costs

As detailed above, separately identified operating costs are excluded from adjusted EBITDA as they primarily relate to corporate actions rather than trading performance of the business.

Total expenses related to acquisitions and integrations amounted to £26.3 million (2021: £24.8 million) (note 7). The majority of this related to the merger with Smith & Williamson. These costs are largely integration related, with new departmental structures implemented, costs de-duplicated and systems rationalised. Costs reported here include both the direct costs incurred in integrating the businesses, and the costs involved in running the various projects required to direct and oversee these activities. Further costs relating to the integration of Tilney and Smith & Williamson will be incurred.

Strategic consultancy services of £5.8 million (2021: £nil) (note 8) relate to a series of projects providing advice on future opportunities for the next stage of the Group's strategic development.

Head office relocation costs of £2.3 million (2021: £3.9 million) (note 21) relate to incremental costs incurred as a result of the decision to move the head office to 45 Gresham Street.

Custody consolidation costs of £0.4 million (2021: £nil) (note 9) relate to costs incurred in introducing a consistent custody model across the Group for assets held internationally.

Segmental performance

For management purposes, the Group is organised into three operating segments: Financial Services, Professional Services and Fund Solutions (previously known as Fund Administration).

See note 5 of the Consolidated Financial Statements for the definition of each business segment and the segmental performance analysis by division.

Operating income

Financial Services

Our financial performance in the Financial Services segment, where operating income increased by 4.2% to £431.8 million (2021: £414.5 million), is driven by revenue margins earned from AUM and from fees charged for financial planning advice. AUM declined year-on-year due to external market conditions. 85.0% of Financial Services operating income is recurring in nature and totalled £367.0 million (2021: £379.2 million) with an average margin of 68.0 basis points (bps), down from 69.5 bps in 2021. The decrease in average fee margin was driven by a change in the mix of propositions. Advice fees (non-recurring financial planning fees) decreased to £11.3 million (2021: £12.6 million). The increases in base rates by the Bank of England drove an uplift in net interest income earned in the year to £17.7 million (2021: £0.2 million).

Operating income margin

Revenue margins are expressed as basis points and represent the blend of fee rates charged for managing and administering clients' portfolios across the range of services offered by the Group. Basis point return is calculated as the Financial Services revenues earned from annual management charges divided by the average AUM.

	2022	2021
Average AUM (£bn)	54.0	54.6
Annual management charges (£m)	367.0	379.2
Margin (bps)	**68.0**	69.5

At the balance sheet date, AUM decreased by £4.7 billion to £53.0 billion, a decrease of 8.1% in year (2021: 57.7 billion). The net decrease is analysed as follows:

	2022 £bn	2021 £bn
At 1 January	57.7	51.2
Inflows:		
Gross new business inflows	5.4	6.0
Acquired	-	0.3
Total inflows	5.4	6.3
Outflows	(3.1)	(3.5)
Disposal	-	(0.5)
Market movement	(7.0)	4.2
At 31 December	53.0	57.7

Gross new business inflows decreased by 10% to £5.4 billion (2021: £6.0 billion), due to reduced market values and weaker investor sentiment. Net new money decreased to £2.3 billion (2021: £2.5 billion).

Professional Services

The Professional Services division generated £159.8 million in operating income in the year, ahead by 18.6% compared to prior year (2021: £134.7 million).

During the year, we saw strong operating income growth across our key business lines; assurance and business services grew by 19.9%, tax by 15.5% and advisory by 20.6%. The two main factors behind this growth were:

- significant government reforms in the audit market have benefitted our audit business with an influx of new clients
- continued investment in people and talent acquisition increased our capacity to support clients, particularly in our specialist areas such as financial services and business turnaround.

Fund Solutions

The performance of our Fund Solutions (previously known as Fund Administration) segment is driven by the quantum of funds that we administer. Operating income has decreased by 21.6% to £9.1 million (2021: £11.6 million), driven by the departure in 2021 of a large client who is now authorised to operate as an Authorised Fund Manager, and market movements. At the balance sheet date, funds under administration decreased by 15.3% to £8.3 billion (2021: £9.8 billion) due to negative market movements.

Operating expenses

Under this section, operating expenses by segment are adjusted to exclude acquisition and integration costs (note 7), strategic consultancy services (note 8), head office relocation costs (note 21) and custody consolidation costs (note 9).

Operating expenses for the Financial Services segment increased slightly to £357.9 million (2021: £353.2 million), due to salary inflation and higher share incentive costs, offset by a reduction in performance related bonuses as a result of reduced performance.

Operating expenses of £146.8 million (2021: £120.3 million) were incurred by the Professional Services segment. The majority of this cost related to personnel; headcount (including support colleagues) having risen in the year by 13.8%.

Financial position

Intangible assets

Goodwill arose from the fair value of the assets acquired through business combinations, primarily from the completion of six Retiring IFA transactions during the year totalling £4.6 million. In 2021, goodwill was recognised on the acquisition of HFS Milbourne (£1.3 million).

Goodwill which arises from business combinations is not amortised but is subject to an annual impairment test. At the balance sheet date, the total carrying value of goodwill from business combinations was £658.7 million (2021: £654.1 million). The assessment of the carrying value of goodwill at the balance sheet date, detailed in note 18 to the Consolidated Financial Statements, determined that no impairment was required.

Other intangible assets with total carrying value of £573.1 million as at the balance sheet date (2021: £600.9 million), arose principally from acquired customer lists, software costs and brand values. During the year, other intangible assets of £52.6 million were capitalised (2021: £55.9 million) (note 18), of which £14.1 million arose on business acquisitions, £3.2 million from earn-out agreements, £17.3 million on computer software expenditure, £9.7 million on development of the digital hybrid platform and £8.3 million on other business development (2021: £7.0 million related to the acquisition of HFS Milbourne) (note 19). The total amortisation charge for other intangible assets for the year was £80.4 million (2021: £95.6 million). The charge for the year mainly related to customer lists of £60.3 million (2021: included accelerated amortisation charge of historical brand intangibles amounting to £22.7 million).

Intangible assets relating to client relationships are amortised over the estimated life of the client relationship, generally a period of 12 to 16 years.

Right-of-use assets

In 2019, the Group entered into agreements for the leasing of office space at 45 Gresham Street, London for a term of 15 years. The commencement date for the leases was 25 March 2021. In accordance with IFRS 16 'Leases', on commencement date the Group recognised a right-of-use asset and lease liability of £60.8 million, with depreciation and interest costs charged to the income statement over the lease term (£4.5 million for the year ended 31 December 2021 and £6.0 million in the first full year ending 31 December 2022). The initial measurement of the right-of-use asset was increased by initial direct costs incurred of £1.3 million and a dilapidation provision of £2.2 million.

Lockup

Lockup is the amount of capital tied-up in accrued income and debtors relating to our Professional Services business. It is calculated as the sum of accrued income and debtors, divided by fees billed in the last 12 months. At the balance sheet date, total lockup had increased to 4.4 months (2021: 3.8 months), due to an increase in accrued income and a slight slowdown in rate of cash collection over the last 12 months.

Defined benefit pension schemes

We operate three defined benefit pension schemes in the UK; The Tilney Scheme, the NCL Scheme and the S&W Scheme. These schemes are closed to new members.

Implementing guidance on the application of IFRIC 14, the Company recognises as an asset the full amount of the defined benefit pension scheme surplus, with movements in the valuation of that asset being included in the Consolidated Statement of Other Comprehensive Income.

Asset values have fallen over the year in both the Tilney and NCL Schemes. For the Tilney Scheme, significant exposures to corporate bonds and Liability Driven Investments (LDI), both of which performed poorly in the year, resulted in assets falling by 39.6% (compared to a 5% rise in 2021). However, the fall in the value of LDI was matched as expected by falls in the scheme liabilities (see below). Funds were reallocated to LDI during the year, primarily from equity holdings. The NCL Scheme has a 69.3% exposure to equities, and hence the market volatility arising from the war in Ukraine, coupled with inflationary pressures post-COVID, has contributed to an 10.9% fall in scheme assets (compared to a 5% rise in 2021).

Scheme liabilities have reduced in both the Tilney and NCL Schemes, mainly due to a significant increase in corporate bond yields since the end of 2021. This has resulted in the discount rate applied to the schemes increasing (in absolute terms) by 3.0% for the Tilney Scheme and by 2.7% for the NCL Scheme, driving an overall reduction in scheme liabilities of £22.1 million and £7.8 million respectively. Benefits paid by the two schemes were £1.8 million for the Tilney Scheme and £0.9 million for the NCL Scheme.

The aggregate impact of the above movements is that the Tilney Scheme now has a surplus of £3.4 million (2021: £7.1 million) and the NCL Scheme now has a surplus of £8.0 million (2021: £2.9 million). The S&W Scheme has a small surplus, measured on an accounting basis, of £0.1 million. For further information, see note 35 to the Consolidated Financial Statements.

Capital expenditure

In addition to intangible assets capitalised as set out on the previous page, the Group incurred capital expenditure of £4.1 million (2021: £4.6 million) in relation to computer equipment and systems upgrades (note 20).

Capitalised expenditure for the fit-out of our new London head office was £4.3 million (2021: £15.7 million).

Regulatory requirements

Investment Firms Prudential Regime

The Investment Firms Prudential Regime (IFPR) came into force on 1 January 2022 and the regulatory requirements have been calculated in line with the new prudential regime.

Own funds

The Group's regulatory own funds is subject to supervision by the Financial Conduct Authority (FCA) and the FCA's rules determine the calculation of the Group's regulatory own funds and requirements. The basis of consolidation for regulatory purposes differs to that of accounting, as certain Group subsidiaries undertake business activities which are not required to be consolidated under the regulations. The regulatory group is known as the Prudential Consolidated Group (PCG) and the rules require certain adjustments to, and certain deductions from, the accounting capital. The latter principally in respect of intangible assets and investments in Group companies outside the regulatory consolidation.

At the balance sheet date, the PCG had Own Funds of £249.6 million (2021: £225.3 million).

	2022 £m	2021 £m
Share capital and share premium	**1,102.6**	1,102.6
Reserves	**293.0**	282.9
Less:		
Goodwill and intangible assets (net of deferred tax liabilities)	**(1,058.2)**	(1,073.3)
Qualifying holdings outside the financial sector	**(76.2)**	(79.4)
Investment in financial sector entities	**(3.0)**	-
Defined benefit pension scheme asset (net of deferred tax liabilities)	**(8.6)**	(7.5)
Common Tier 1 Own Funds	**249.6**	225.3
Tier 2 Own Funds	**-**	-
Total Own Funds	**249.6**	225.3

Own funds requirements

As required under the FCA rules, the Group performs an Internal Capital Adequacy and Risk Assessment (ICARA) annually, which includes a range of stress tests to determine the appropriate level of own funds that the Group needs to hold. The ICARA was reviewed and approved by the Board in July 2022. Own funds are monitored monthly by management and the PCG regularly reports its regulatory positions to the FCA. The regulatory requirements have been met throughout the year.

The PCG holds capital in respect of:

- Own funds requirement – minimum capital requirement

  The own funds requirement sets out the minimum requirement for capital and is calculated at the higher of permanent minimum capital requirement, the K-factor requirement, or the Fixed Overhead Requirement.

- Additional own funds requirement – supervisory review process

  The additional own funds requirement supplements the own funds requirement and requires firms and their regulatory supervisor to assess the amount of internal own funds required to cover all the risks that are not adequately covered under the own funds requirement. This is implemented through the ICARA and through the subsequent Supervisory Review and Evaluation Process (SREP) undertaken by the FCA.

Cash flow and financing arrangements

Cash flow

Extracts from the Consolidated Cash Flow Statement	2022 £m	2021 £m
Net cash generated from operating activities	**92.8**	184.7
Net cash used in investing activities	**(56.7)**	(67.2)
Net cash used in financing activities	**(45.5)**	(69.0)
Net (decrease)/increase in cash and cash equivalents	**(9.4)**	48.5
Cash and cash equivalents at the beginning of the year	**217.3**	168.8
Cash and cash equivalents at the end of the year	**207.9**	217.3

The Group's fee income is largely collected directly from client portfolios and expenses are broadly predictable. Consequently, we are able to operate with a modest amount of working capital.

The Group continues to have positive levels of cash generation from operations. Total cash resources at the end of the year were £207.9 million (2021: £217.3 million).

Net cash used in investing activities of £56.7 million (2021: £67.2 million) included capital expenditure of £11.9 million (2021: £21.8 million) (note 20), additions to intangible assets of £38.5 million (2021: £45.4 million) (note 18) and business acquisitions, net of cash acquired, of £7.9 million (2021: £8.8 million) (note 19).

Net cash used in financing activities was £45.5 million (2021: £69.0 million) primarily due to dividends paid of £37.5 million (2021: £32.9 million).

Viability Statement

The viability assessment period

The Directors have assessed the prospects and viability of the Group over a five-year period. The Directors consider that five years constitutes an appropriate period over which to provide its Viability Statement given the uncertainties in predicting the future impact of investment markets, the time horizon used internally for planning and modelling, and the resilience of the business as demonstrated by the stress testing as set out below.

Process and viability scenarios

Forecasting for the five-year period is based on a detailed year-one budget and higher-level forecasts for the subsequent years. Achievement of the one-year budget has a greater level of certainty and is used to set near-term targets across the Group. Achievement of the five-year term is less certain than the budget but provides a longer-term outlook against which strategic decisions can be made.

The forecasting process considers the Group's operating income, costs, and EBITDA over the projected period, based on the annual business plan. The metrics are subject to a sensitivity analysis across a range of potential scenarios such as falls in equity markets, reductions in planned gross new money and AUM outflows, and a combination of scenarios occurring simultaneously. In all cases, the Directors were able to demonstrate the ability of the Group to withstand the current economic downturn.

Given the uncertainties associated with the macro-economic conditions in which the Group is operating, additional stress-testing, as part of the ICARA review summarised below, has been carried out on the Group's ability to continue under extremely unfavourable operating conditions, such as a severe fall in market levels similar to that experienced during the Global Financial Crisis. While the assumptions we have applied in the scenarios are possible, they do not represent our view of the likely outturn.

Under the ICARA, the Group is required to perform a range of stress tests that assess its ability to withstand a market-wide stress, a Group-specific (idiosyncratic) stress and a combined stress considering both market-wide and Group-specific events to demonstrate that the Group has sufficient own funds and liquidity to meet its prospective requirements. The stress tests are derived through discussions with senior management and challenged by the Risk and Audit Committee and the Board. They are deemed to be severe but plausible, after considering the principal risks and uncertainties faced by the Group. Stress testing undertaken uses a combination of the macro-economic stress (based on the 'Global Financial Crises' stress) and the Group's largest three operational risk scenarios. The macro-economic stress is a prolonged stress over a five-year period, with a sudden, sharp 44% fall in FTSE 100 levels in year 1, followed by slow market recovery. This is combined with reputational affecting, idiosyncratic scenarios including a cyber-attack, a conduct risk failure and service outage to a key technology provider. Management identified a number of mitigating actions that could be considered and applied, including a reduction in variable staff costs, discretionary expenditure and recruitment costs.

The impact of these stress tests is considered over a five-year period, as the modelling performed indicates that after this time period, the financial performance of the Group is improving rapidly in terms of profitability and liquidity, with regulatory capital being at a higher level than at the start of the period of stress.

Additionally, a reverse stress case, which assesses scenarios and circumstances that would render the Group's business model unviable, was performed.

The results of the analysis showed that the Group is resilient to the combined stress testing described above and always remains compliant with the overall financial adequacy rule and has adequate financial and regulatory resources to continue in operational existence for the foreseeable future.

Viability statement

Based on this assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period ending 31 December 2027.

Principal Risks and Uncertainties

Managing risk to support our strategy

Risk management's purpose is to develop processes and tools that assist the Group to identify, assess, monitor and manage the key risks that are inherent in the Group's business activities, in line with the Board's strategic objectives and risk appetite. The risk management arrangements at Evelyn Partners form part of a strong governance culture, built upon the Three Lines of Defence model under which primary responsibility for identifying and controlling risks rests with the Group's businesses (the first line of defence). Ultimate responsibility for ensuring the adequacy and effectiveness of risk management rests with the Group's Board, with oversight provided by the Board's Risk and Audit Committee (RAC).

The Group has a Risk and Compliance function providing the second line of defence. It is led by the Group Chief Risk Officer who has an independent reporting line to the Chair of the Board Risk and Audit Committee and a right of access to the Chair of the Board. The Group Chief Risk Officer is a member of the Group Executive Committee (GEC) and attends the Risk and Audit Committee meetings.

The third line of defence consists of the internal audit function, which provides assurance to senior management that business processes and controls are operating effectively. The internal audit function identifies any processes and control deficiencies and monitors remediation plans.

The risk management framework is underpinned by policies, procedures, and reporting. The requirement to produce accurate and timely management information to meet the needs of the Group, continues to increase, as it seeks to deliver its strategic objectives. Over the last year, the Group has focused on enhancing reporting at Group and Divisional level. It has also developed reporting of material events with the production of several deep dives. Strategically there has been a lot of focus on global events and changes to regulation. This has required risk management and compliance to conduct in depth reviews of the business through these lenses and understand how they will impact the Group. This has tested the awareness, implementation and effectiveness of the risk management framework.

Where risks fall outside of the Group's risk appetites, which are defined at both the operational resilience and business-as-usual threshold levels, 'path to green' actions are required. Actions are also required where remedial action is recognised in respect of any weaknesses identified in relation to mitigating controls.

Risk management framework

The objectives of the risk management framework are to:

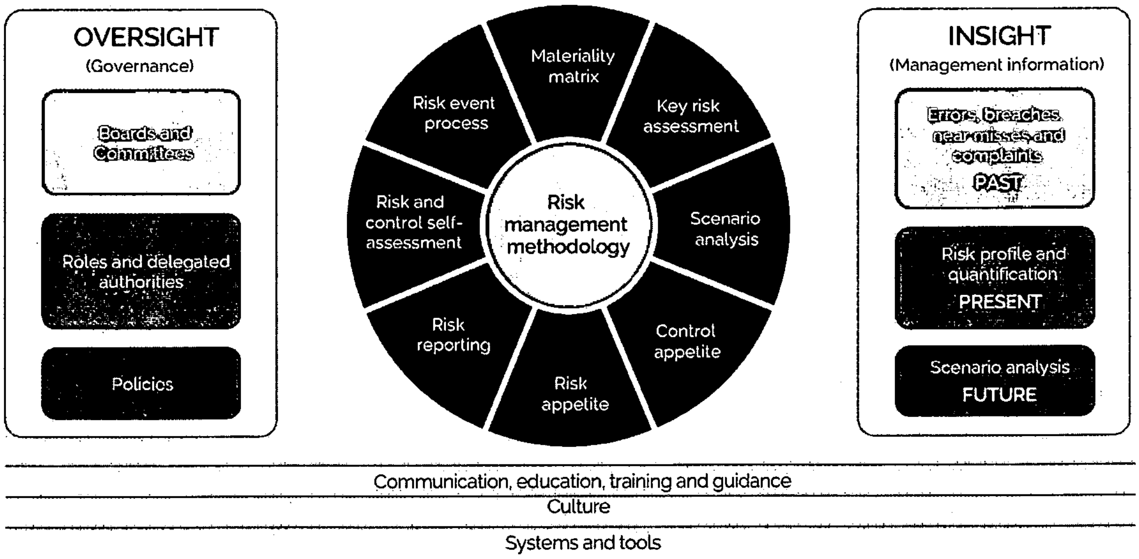
- facilitate risk-awareness across the Group
- facilitate the effective identification, assessment, monitoring and management of risks
- assist in preventing harm to clients, the business, and the markets in which we operate.

The risk management framework assists the organisation in the resilient provision of high-quality service to our clients and encourages the continuous improvement of the Group's processes and controls.

The risk management framework includes components that:

- establish methods for identifying and assessing risk
- provide an approach for the capture, reporting and monitoring of risk
- provide appropriate mechanisms for managing risk.

Risk management framework



Risk management methodology

The risk management methodology within the framework consists of the following eight complementary tools:

Materiality Matrix – reviewed every 12 months and derived from the Group's risk tolerances, it is central to the Group's ability to assess risk and the understanding of the impacts. The Materiality Matrix enables the Group to consistently assess and manage risks at both the business-as-usual and operational resilience threshold levels. Materiality is assessed across five impact dimensions: financial, operational, regulatory and legal, client and reputational.

Key risk assessment — central to the risk management framework are the key risks, which are identified using scenario analysis and verified by bottom-up risk assessment. Assessing each key risk and its potential impact on the business is a fundamental part of the risk management framework and is continually reviewed and developed. The business contributes to the assessment through:

- top-down risk assessments
- risk and control self-assessments
- risk event reporting
- monitoring of the external environment.

Scenario analysis — undertaken at different levels of probability. Generally, multiple scenarios will be assessed for each key risk. The assessment presents an impact analysis on the business, including the financial impact.

Risk appetite — a top-down process that is verified by each division of the business and also by reference to internal and external experience of risk events.

Control appetite — developed from the risk and control self-assessment, it is the level of control that is in place relevant to each risk. Where the control is outside tolerance, the business will put in place an action plan to bring it within appetite.

Risk reporting (dashboard) — a mechanism used by the Group to manage risk. The dashboard presents each key risk, its current RAG (Red, Amber or Green) rating, key risk indicator scores, risk events and outstanding remediation actions, where required.

Risk and control self-assessment (RCSA) — undertaken by all business units and then independently reviewed and challenged by the Risk function. The RCSA is a process and control focused assessment linked to the key risks.

Risk event process (REV) — designed to capture, report, monitor and remediate process, control and system failures.

Top and emerging risks

The top risk report and emerging risk radar continue to facilitate discussion and provide a mechanism to monitor potential risks at executive and Board risk committees. The process for identifying developing risks at Group and business levels has been further refined to bring greater clarity on why risks are being proposed or removed from the report or radar.

Risks shown on the top risk report for 2022 included:

- Global Economic Climate - The Group has been closely monitoring the changes to the global economy and the potential impact on the Group. Initial activity included reviewing the sanction changes following the Russian invasion of Ukraine. It then moved on to look at market volatility, the rise in interest rates and the cost of living
- Consumer Duty - A key regulatory change over the coming year will be Consumer Duty. Due to the assessed requirements of this change, it was elevated to being a Group Top Risk in Q4 of this year. See below for more detail
- ESG - This remains a key driver of activity across the Group examples being; the requirement to assess the environmental impact of the corporate supply chain, to understand portfolio level emissions data, to consider how ESG activities impact the community and colleagues. In 2022, it was decided to establish a Board ESG Committee, the inaugural meeting of which will take place March 2023. ESG is a key risk and is the subject of a dedicated monthly meeting of the GEC. The strategy and objectives of each pillar of corporate social responsibility objectives are discussed at each meeting.

Risks on the emerging risk radar for 2022 included:

- The risk of a material external change driven by politics is now assessed as decreasing. A number of politically linked risks have been removed
- Both Consumer Duty and the global economic climate were initially tracked on the emerging risk radar before becoming top risks for the Group.

Consumer Duty

In July 2022, the FCA published final rules and guidance on the new Consumer Duty regulation. This regulatory development impacts firms which manufacture or distribute financial products or services to retail clients in the UK.

Firms are required to implement the rules for open products and services by 31 July 2023 with an interim deadline of 30 April 2023 for manufacturers to complete reviews and provide information to distributors.

For products and services not open to new business, firms have until 31 July 2024 to review these items to ensure alignment with the Consumer Duty requirements, including the delivery of fair outcomes for clients.

The Consumer Duty regulation incorporates a three-tiered approach, namely:

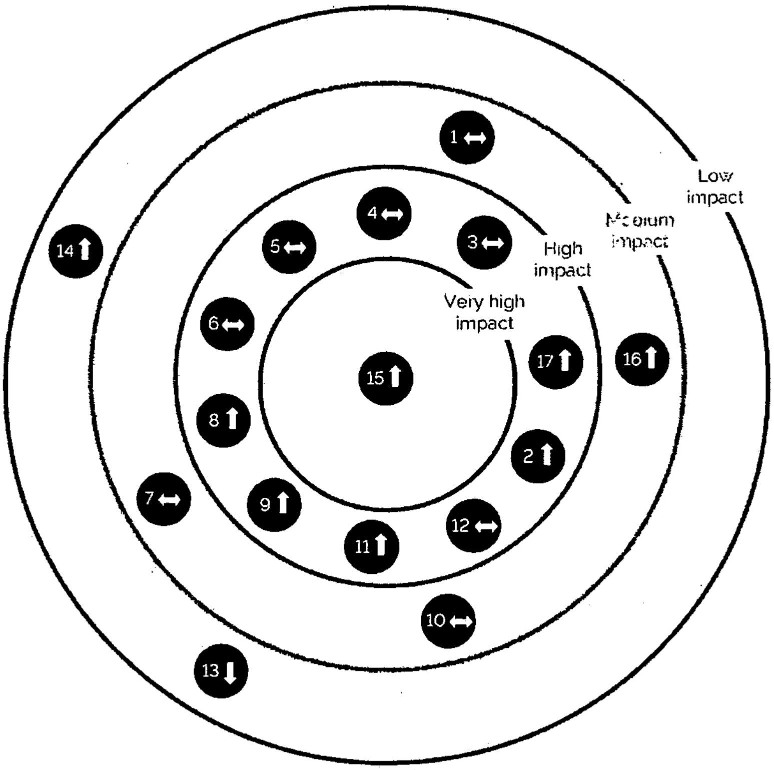
- a new Consumer Principle which will require firms 'to act to deliver good outcomes for retail clients';

- new rules requiring firms to (1) act in good faith, (2) avoid causing foreseeable harm, (3) enable and support customers to pursue their financial objectives; and
- four consumer outcomes which cover (1) Product and Services, (2) Price and Value, (3) Consumer Understanding, (4) Consumer Support.

The Group has established a Consumer Duty programme to understand, implement and embed the new requirements. An assessment of the current alignment with the regulation is being undertaken. A governance structure is in place, which includes a Consumer Duty Board Champion, to oversee appropriate and timely execution.

Key risks

The Group reviews and refreshes its key risks on an annual basis. The Group identifies 17 key risks at Group and business level to help ensure that risks are assessed and managed in a consistent way with oversight from the relevant Committees and Boards.



Key risks

1. Business performance
2. Change management
3. Conduct
4. Data loss and cyber
5. Environmental, social and governance
6. Financial crime and fraud
7. Financial
8. Investment performance
9. Material external change
10. Operational resilience
11. People
12. Process failure
13. Product and service
14. Prudential
15. Regulation and legal
16. Strategic
17. Technology

Risk trend

- ⬆ Increased
- ↔ Stable
- ⬇ Decreased

Through the scenario analysis process, the key risks are categorised into two risk groups: Business Risks and Operational Risks.

Business risks

Key risk	Risk definition	Key mitigating controls	Example of metrics	Trend
Business performance	Adverse business and/or client impact resulting from a failure to achieve the desired business performance or a failure to adequately manage the business efficiently through	• Board and Group Executive Committee review of business performance.	• Operating revenue • Operating expenditure • EBITDA • Management reporting.	• This year has seen challenges due to the global economic climate and the ongoing conflict in Ukraine.

Key risk	Risk definition	Key mitigating controls	Example of metrics	Trend
	a period of economic turbulence or contraction.			**Link to KPIs: See financial performance KPIs on pages 19 and 20.**
Environmental social and governance (ESG)	Adverse business and/or client impact resulting from the failure to meet stakeholder expectations of ESG.	• Board and Executive level focus with a dedicated monthly Group Executive Committee meeting • Group Executives are responsible for the implementation of the Corporate Responsibility strategy based on four key ESG Pillars detailed in the Corporate Responsibility Report • Enabled coordinated planning • Recruitment of ESG focused colleagues • Guidance and obligations, as signatories to the UN PRI and of the UK Stewardship Code 2020.	• Scope 1, 2 & 3 emissions • REGO-backed renewable energy • Group and colleague charity donations • Volunteering days • Gender mix • Inclusive and diversity measures • Employee Pulse survey • Estate management.	• An increased area of focus across the Group • Performance and risk indicators, thresholds and targets are being developed and embedded in business areas and support functions. These will be enhanced as more data becomes available • Understanding the Group's impact and where it can make changes to improve, our corporate planning and strategy, the resources consumed, the clients we work with, and the investment decisions made on behalf of clients.
Financial	Adverse business and/or client impact resulting from counterparty failure, market, or credit risk losses.	• Group Risk and Compliance Committee overall oversight • Counterparty and Interest Rate Forum oversight of bank counterparty credit risk and client money interest rate policies • Segregation of duties and authorisation limits with management oversight • Dealing limits • Documented policies and procedures • Group-wide credit and market risk frameworks in place • Liquidity risk managed through deposits with a maturity of less than 7 days.	• Counterparty exposure • Entity liquidity management and reporting • Failed trades • Unsettled trades.	• Financial risk remained stable over the year, with the improved performance of the Group in a challenging environment.

Key risk	Risk definition	Key mitigating controls	Example of metrics	Trend
		No reliance is placed on wholesale market funding.		
Investment performance	Adverse business and/or client impact resulting from poor investment performance of portfolios, including private client, charities, institutional and funds.	• Investment Oversight Committee • Investment process managed by the Front Office • Reports to Group Risk and Compliance Committee through key risk indicators.	• Benchmarking internally and externally • Fund performance against benchmarks • Fund tramlines against mandates.	• Investment performance risk has been a challenge this year due to market conditions. **Link to KPIs: See investment financial performance KPIs on page 20.**
Product and service	Adverse business and/or client impact resulting from failure of a product or service.	• Product and Service Oversight Committee • Senior management led service to clients • Independent quality assurance • Investment process, market and performance monitoring.	• Client survey responses • Client retention • Client satisfaction rating.	• Product and service risk has improved over the year with an increasingly positive outlook, strong retention and increase in clients. **Link to KPIs: See number of clients on page 20.**
Prudential	Adverse business and/or client impact resulting from breaching regulatory capital or liquidity requirements.	• Group Risk and Compliance Committee oversight • ICARA stress tests and metrics • Segregation of duties • Documented policies and procedures • Capital at Group and legal entity levels monitored • Loan covenants monitored and reported.	• Regulatory returns on time • Amount of surplus capital • Measure of loan covenant metrics • ICARA stress test metrics.	• Prudential risk has improved over the year with increases in the surplus capital. • Regulatory returns have all been submitted on time and the Group remains prudentially well balanced. See 'capital requirements' section in the Financial Review on page 25.
Strategic	Adverse business and/or client impact resulting from failures in strategic risk taking, decision-making and planning. This includes due diligence, integration of acquisition targets or badly managed divestitures.	• Board and Group Executive Committee review • Detailed assessment of all merger and acquisition activity (including business, client and employee impact).	• Strategic Risk Assessment • Pre- and post-merger/divestment reporting.	• Strategically, the outlook for the Group continues to improve, with a strong performance despite challenging market conditions.

Operational risks

Key risk	Risk definition	Key mitigating controls	Example of metrics	Trend
Change management	Adverse business and/or client impact resulting from an overload of change for the organisation, and/or the failure of one or more material projects.	• Project steering groups and Change Portfolio Committee review project progress, risks, issues and interdependencies • Regular project reporting • Key projects or those with a material impact to the Group are reviewed by the Board and Board Committees.	• Initiative timelines and adherence • Incident capture and management • Risk Assessments against materiality matrix • Impact assessment of delays.	• Change management has had some challenges this year with the ambitious plans in place. There remains pressure on change due to the ongoing requirements • Agile delivery continues to mitigate some of this risk.
Conduct	Adverse business and/or client impact resulting from providing clients with inadequate, incomplete or unsuitable advice or service, or not acting in the best interest of our clients.	• Colleague training, particularly relating to conduct risk • Investment process oversight • Client file review processes in all three lines of defence • Ongoing colleague training and development • Appropriate incentivisation and disciplinary procedures.	• Complaint capturing and impact • Conflict of interest breaches • Conduct rule breaches • Whistleblowing numbers • Client Money events • File reviews outcomes • Market and performance monitoring.	• Conduct risk has remained the same with very few instances of the risk occurring over the year • Increasing volume of file reviews to improve the mitigating controls.
Data loss and cyber	Adverse business and/or client impact resulting from a data protection, information security or cyber related breach. The additional risks associated with non-compliance with relevant rules and regulations.	• Dedicated working group • Colleague training and development • Penetration testing (both internally and for external service providers) • Cyber risk management framework • Embedded data governance controls within all core change activities • Involvement in cyber industry representative bodies.	• Data protection breaches • Cyber incidents • Supplier breaches • Number of phishing attacks • Patching adherence percentages.	• Data loss issues have stemmed from the transmission of data both internally and externally. There have been a limited number of failures and none that would be considered material • The risk is assessed as static with the improvement of controls balancing the increasing external threat.
Financial crime and fraud	Adverse business and/or client impact resulting from internal or external fraud. Failure to adhere to relevant regulation: Anti-Money Laundering, Bribery and Sanctions and Market Abuse.	• AML prevention process and controls • Proactive and regular contact with regulators • Active involvement in industry representative bodies • Documented policies and procedures	• Number of Suspicious Activity Reports • Number of Suspicious Transaction and Order Reports • Number of Fraud attempts and impact (both Internal/External).	• Overall financial crime residual risk has remained static within the Group. • There has been an increase in the number of external fraud attempts, aimed at both our clients and the Group.

Key risk	Risk definition	Key mitigating controls	Example of metrics	Trend
		• Mandatory AML training for colleagues.		System controls and colleague training have been enhanced in response.
Material external change	Adverse business and/or client impact resulting from a material change in the external business environment, for example economic recession, interest rate/inflationary increases, market falls, adverse political developments and Brexit.	• Reported and considered through the Board and Group Executive Committee • Risk, compliance and the investment management teams monitor the external business environment • Impact to business modelled via ICARA ensuring adequate headroom • Regular communications with clients via investment managers and quarterly valuations.	• Number and significance of Material Political, Regulatory or Market events • Emerging Risk Radar • ICARA stress test metrics.	• Material external change risk has increased in the last year with the following events impacting the economic climate: • Conflict in Ukraine and fuel prices • Political upheaval and market reactions • Inflation, in the domestic and international markets.
Operational resilience	Adverse business and/or client impact resulting from a failure to continue activities in the event of a major disaster affecting offices or constraints in the off-site recovery of critical business systems. Incorporates Disaster Recovery, Business Continuity and Outsourcing.	• Group Risk and Compliance Committee, Group Executive Committee, Risk and Audit Committee and Board oversight • Regular disaster recovery testing • Off-site backup of data • Monitoring of Important Business Services • Documented disaster recovery plans • Ongoing monitoring of outsourced service providers • Documented policies and procedures.	• Assessed UK Terrorism Threat level • Number of business continuity incidents • Review outsourcing service level arrangements • Service availability of third-party providers. • Disaster recovery Key Risk Indicators.	• Operational resilience risk has remained static over the last 12 months with the Group having no material issues with outsourced services and third-party providers.
People	Adverse business and/or client impact resulting from insufficient human capital in terms of numbers, focus, culture and skill set.	• Remuneration Committee and Nomination Committee oversight • Competitive and transparent remuneration schemes • Succession and contingency planning • Colleague training and development.	• Rates of colleague turnover • Open headcount rates • Number of disciplinaries and grievances • Training and competence adherence.	• People risk has increased over the last year with the Group's turnover at times being outside appetite. In part, this is due to market conditions post COVID-19 and aggressive recruitment targets to meet growth plans.

Key risk	Risk definition	Key mitigating controls	Example of metrics	Trend
Process failure	Adverse business and/or client impact resulting from failure of process and/or control.	• Risk event reporting and analysis • Review of management information • Segregation of duty and responsibility • Increased automation • Oversight by all Boards and Committees • Colleague training and development.	• Number, severity and, impact of risk events • Financial impacts • Areas where losses are occurring • Time to identify events • Timeliness of reporting.	• Process failure risk has remained static over the last year • Operational losses are similar to last year in terms of the financial impact.
Regulation and legal	Adverse business and/or client impact resulting from breach of regulation or relevant laws.	• Proactive and regular contact with regulators • Policies and procedures • Impact assessment for upcoming regulatory changes • Oversight by all Boards and Committees • Second line of defence monitoring and review of business activities.	• Client Money breaches • Regulatory fines and censure • Internal Audit actions • Regulatory breaches.	• Regulatory and legal risk remains a focus for the Group. • There are several key post-merger issues being resolved. • The amount of regulatory change is increasing with significant work required to deliver Consumer Duty and ESG requirements.
Technology	Adverse business and/or client impact resulting from sub-optimal technology (including capacity), and capability.	• Technology requirements assessment and planning • Documented policies and procedures • Incident management.	• Internal major incidents • Third party major incidents • System availability.	• Delivery of post-merger alignment and enhancement of the Group's technology estate has continued over the last year.

Change in the year

Over the last 12 months, the Group has emerged from the COVID-19 pandemic and has moved forward with its strategic plans.

The Group has remained well-capitalised and liquid, with significant and increasing buffers above all regulatory requirements.

The move of the Group's headquarters to 45 Gresham Street in the City of London and the move to new offices in Birmingham, which sees colleagues from across the Group to be truly co-located for the first time, were delivered with minimal impact on the colleagues who occupy these buildings.

The delivery of the Financial Services transformation programme continues to be a major change risk, coupled with the new and developing regulatory standards of Consumer Duty and ESG means that this has remained a key focus of time at Board and Executive level.

The Group continues to focus on regulatory and legal process enhancements so that it can deliver best in class products and *'place the power of good advice into more hands'*.

The Group's risk management framework continues to be enhanced and refined with reporting having been further developed to meet growing requirements. The Group's Governance, Risk and Compliance (Risk Event Reporting) system is being upgraded to meet the increasing demands of businesses to understand their risk profile in greater detail.

Section 172 Statement

Section 172 of the UK Companies Act 2006 requires our Directors to act in a way they consider, in good faith, would most likely promote the success of the Company for the benefit of our members as a whole. When making decisions, our Directors are required to have regard to the interests of our colleagues and other stakeholders, including the impact of our activities on the community, environment and the Company's reputation.

Set out below and elsewhere in this report are details on how our Board operates, the way our Directors reach decisions, including matters discussed during the year, key stakeholder considerations central to those discussions as well as the impact of the Company's operations on the community and environment.

Key decisions taken by the Board in 2022 include:

- approval of the 2023 budget
- approval of the Consumer Duty implementation plan
- approval of new premises for Glasgow and Belfast offices
- approval of the new pricing and proposition for Financial Services
- approving the rebrand to Evelyn Partners
- approval of the relaunch of Bestinvest
- approval of the Board diversity policy and the Board Director suitability, induction & training policy
- approval of the revised governance structure for oversight of environmental, social and governance (ESG)
- supporting Task Force on Climate-Related Financial Disclosures (TCFD)
- approval of the Internal Capital and Risk Assessment (ICARA)
- approving dividends from Evelyn Partners Group Limited
- approving the acquisition of Arena Wealth.

How the Company has engaged with Stakeholders throughout the year is outlined below:

Stakeholders	How we engage	Outcomes	Further detail
Clients Supporting our clients with the management of financial affairs is core to what we do.	Through a variety of channels including face to face meetings, seminars and webinars and digital portals. By seeking to build valued, long-term partnerships with financial advisers, accountants, lawyers and professional bodies to help achieve positive outcomes for clients. Responding to market trends and feedback from our clients.	We continue to expand our business development team to nurture our professional relationships and augment direct client contact with conferences, seminars and the provision of expert content. The relaunch of Bestinvest has introduced new features for existing clients to enhance their experience this includes developing the Bestinvest mobile app which also appeals to younger generations. It has also given Bestinvest clients access to life plans and coaches. The client money interest policy was reviewed and approved in response to rising interest rates. The approval of the new pricing and proposition for Financial Services has made our services and pricing structure easier for clients to understand while still meeting their needs.	Strategic Report – market trends, **see pages 6 to 8** The Corporate Governance report contains further detail on client outcomes, see Board activities, **see pages 78 to 80**
Colleagues The Board believes that our people and culture are central to the Company's unique client proposition and are our greatest asset. We aspire to be the	Investing in training and skills development and having an active colleague engagement and communication programme including Pulse surveys to assess engagement with colleagues.	Pulse surveys have continued to be run throughout the year. The results of the Pulse surveys are discussed with departmental heads on how to put the feedback into positive actions. They are also tracked against previous results. Following the most recent survey, there has been a focus on professional development.	Corporate Responsibility Report, People, **see pages 48 to 51**

Stakeholders	How we engage	Outcomes	Further detail
employer of choice in our sector and are committed to developing a culture which is personal, where everyone is treated as an individual, and is both welcoming and inclusive.	Promoting remuneration policies to attract and retain high performing colleagues. Moving to new premises and providing high-quality working environments. Colleagues are actively engaged during the move process and feedback is regularly sought during the after the relocations. Regular communications from the Group Chief Executive Officer to keep colleagues informed.	By continuing to update our premises, Evelyn Partners is providing a better environment for colleagues to work in and assisting with new ways of working.	
Shareholders Whilst we are a private business, we have many current and former employees as beneficial shareholders.	Our largest institutional shareholders are represented on our Board. Individual beneficial shareholders are kept up-to-date with the progress of the business through written communications and briefing meetings from the leadership team.	The institutional shareholders are involved in key Board decisions, such as approving the 2023 budget. We currently hold an annual investor presentation where the senior leadership team provide a presentation on the results and are available to answer any questions from individual beneficial shareholders.	Corporate Governance report, Board activities, see **pages 78 to 80**
Suppliers and counterparties Across our breadth of services and locations we work with multiple counterparties and suppliers, both large and small.	We recognise the importance of these relationships in delivering a high-quality service for our clients and colleagues and so regularly engage with our suppliers and counterparties, through a due diligence process, to build good relationships, address any challenges and mitigate potential risks. This is reflected through our purpose and supporting values, particularly Partnership. The Board oversees policies designed to reduce the risk of our business and supply chains being involved in slavery and human trafficking.	The modern slavery statement is reviewed and approved each year and due diligence is undertaken on suppliers. If any concerns are raised during the due diligence process, these are escalated to the relevant individuals and committees. Our Group procurement policy contains a Supplier Code of Conduct, which sets out our expectations of our suppliers.	Corporate Responsibility Report, see **pages 54 to 55**
Society and community Our purpose is to *'place the power of good advice into more hands'*: we believe that society as a whole benefits, when more people are supported with making sound financial decisions.	As an investment manager, we recognise that our decisions can have a wider impact and therefore we seek to invest responsibly, taking into account environmental, social and governance factors when selecting funds and stocks. We are an active shareholder, committed to the good stewardship of our clients' wealth. With an extensive office network, we are part of the communities in which our colleagues work and live and contribute through community activities, volunteering and charity initiatives.	We committed to a three-year partnership with Impetus, an organisation that is transforming the lives of young people from disadvantaged backgrounds and have donated £100,000 per annum in 2021 and 2022. Colleagues also participated in various events, including a triathlon, in support of Impetus. For our colleague charitable giving, we focused on three key areas: • Colleague volunteering • Give-as-you-earn • Matched fundraising.	Corporate Responsibility Report, Charities and Communities, see **pages 52 to 55**

Stakeholders	How we engage	Outcomes	Further detail
	The Group reviews its approach to responsible investing and through training and awareness initiatives ensures that our investment professionals and clients have a better understanding of ESG. As an active member of the Investor Forum and Climate Action 100+, we have been able to combine our active engagement voice with many other leading asset management groups to great effect. The Board and Committees receive reports on the Company's community investment programme. The Board ensures an effective governance structure to protect the Company's reputation, brand and relationship with regulators as well as partners. The Board and Committees receive ESG reports and there has been consistent emphasis on the required focus on this topic. During the year, it was agreed to disband the Corporate Responsibility Committee (CRC) with responsibility passing to the Group Executive Committee (GEC) and Board oversight by the Board ESG Committee. The GEC has a dedicated monthly meeting on ESG whereas the new Board ESG Committee meets on a quarterly basis.	During the year Evelyn Partners Charitable Trust matched over £64,000 in donations for charitable causes. Signatories to UN Principle of Responsible Investment. Supporters of TCFD. Commitment to Net Zero emissions on our corporate operations.	
Regulators We proactively engage with our regulators as we seek to foster a transparent and cooperative relationship and help them to understand our culture, business model and strategy.	The Board and the Risk and Audit Committee receive updates on the Company's engagement with its regulators alongside regular reports on compliance with regulatory requirements, consideration of forthcoming regulatory developments and the Company's participation in consultations. There was, and continues to be, a focus on Consumer Duty to ensure the regulatory requirements are met within the given timeline.	Submission of regulatory returns to the regulators including the ICARA, Tax strategy, CASS reports and periodic submissions of Group entity structure changes (close links reporting). Membership of industry bodies including the Personal Investment Management & Financial Advice Association (PIMFA). Periodic meetings between individuals, directors and the supervisory team from the FCA. Contributions to regulatory policy through public consultations, industry discussions and also bilaterally with regulators. The approval of the Consumer Duty implementation plan.	Corporate Governance report, Board activities, **see pages 78 to 80**

Corporate Responsibility Report

Evelyn Partners has a strong commitment to corporate responsibility. It is core to our purpose, our culture and business strategy, as we continue to embed ESG into our corporate operational processes.

For wealth managers and financial advisers, such as us, who are entrusted with the stewardship of our clients' capital, it is also important to ensure that ESG considerations are embedded within our responsible investment processes.

The Group is committed to being a responsible corporate citizen in managing the impact of our business activities on the environment for all stakeholders including clients, colleagues, investors and the wider community. We seek to:

- minimise our environmental footprint
- provide a professional and supportive workplace
- attract, develop and retain people from diverse backgrounds
- deliver the best possible service to all our clients.

To bolster sustainability throughout the organisation, we aim to engage our colleagues and stakeholders, including our broader communities, to consider sustainability alongside other key business drivers. Ultimately, we are working towards a sustainable future.

Governance

The Board has delegated the day-to-day management of its corporate responsibility to the Group Executive Committee (GEC).

In 2021, the GEC appointed the Corporate Responsibility Committee (CRC) to oversee these activities. The CRC was responsible for setting and monitoring the Group's approach to the Corporate Responsibility strategy and leading the Group's work on ESG. The CRC, supported by the Board and the GEC, made significant strides in progressing the corporate social responsibility agenda.

The Group refined its approach in September 2022; the CRC was disbanded and ESG is now discussed formally by the GEC at a monthly ESG meeting, chaired by Chris Woodhouse, the Group Chief Executive Officer (CEO). The GEC is responsible for setting and monitoring the Group's approach to the Corporate Responsibility strategy and leading the Group's work on ESG.

The GEC's activities, and formerly the CRC Committee's, activities, are co-ordinated by its Chair and divided into four pillars. The strategy of each pillar is considered across the entire business.

The GEC sponsors of each pillar during the year were:

Pillar	Sponsor
Environment	Andrew Baddeley, Group Chief Financial Officer
Responsible Investment	John Erskine, Chief Investment Management Director
People	Benne Peto, Group Chief People Officer
Charities and Communities	Nicola Mitford-Slade, former Group Legal Counsel [Note 1]

Note 1: Following Nicola Mitford-Slade's retirement in December 2022, Charley Davies, Group Legal Counsel, replaced Nicola as the Charities and Communities pillar lead in January 2023.

ESG activities were reported to the Board on a quarterly basis by the GEC and pillar leads. Chris Grigg, the Chair of the Board, attended CRC meetings as an observer.

In the latter part of 2022, the Board ESG Committee was established, comprised of Non-Executive Directors only, and chaired by Chris Grigg. The inaugural meeting will take place March 2023 and it will meet quarterly.

Chris Grigg, as Chair of the Board ESG Committee will have responsibility for Board oversight of corporate social responsibility and Chris Woodhouse, as Group Chief Executive Officer, will have ultimate executive responsibility for corporate social responsibility.

In 2022, governance of ESG was strengthened with the introduction of the ESG policy. This policy sets out our approach to each element of ESG and how it is considered both operationally and within responsible investments. It outlines how ESG is considered throughout the value chain which includes suppliers, employees, clients, investees and shareholders. It is available to view on our website at evelyn.com.

The risk management framework sets the oversight requirements and supports our Corporate Responsibility strategy. We recognise that corporate responsibility brings significant risks and opportunities which are addressed under our risk management framework.

Key highlights

Pillar	Objectives	Key highlights
Environment	We are committed to managing our business in a sustainable way to minimise our impact on the environment, both in our operations and through the value chain.	• We are working towards Net Zero in our corporate operations **See pages 40 to 44** • We introduced the environmental management framework and environment policy **See page 40** • We moved to two BREEAM 'Excellent' rated offices in London and Birmingham. 45% of colleagues are located at 'Excellent rated offices **See pages 40 to 41** • We are supporters of CDP and completed our first CDP questionnaire **See page 42** • We measured all Scope 3 categories 1-14 and have reported on these emissions **See page 41 to 42** • We introduced a new procurement policy. The policy includes our ESG expectations of our suppliers within the Supplier Code of Conduct **See page 55**
Responsible investment	As Responsible Investors, we incorporate ESG factors alongside purely financial considerations in investment decisions and practise active ownership and stewardship.	• UN PRI and UK Stewardship Code 2020 obligations frame the Group's investment process, policies, and procedures **See page 45** • We engage with collaborative engagement platforms (The Investor Forum and Climate Action 100+). In 2022, we became a founding member of the CCLA Corporate Mental Health Benchmark **See page 46** • Systems, third-party research tools and databases, screening and sector specialists assist in measuring ESG factors and sustainability risks **See page 46** • We were awarded 'ESG Initiative of the Year' at the International Adviser Awards 2022 – see 'Our Sustainable Products and Services' **See page 46 to 47**
People	Our ability to attract and retain an inclusive and diverse pool of talent is central to our success. A competitive reward model supported by colleague training and development is key, as is inclusion, diversity, equality and mental and physical wellbeing.	• The Smart Working framework has enabled better planning of facilities and reduced travel for colleagues **See page 48** • In 2022, we reviewed the inclusion and diversity strategy and appointed a dedicated Inclusion and Diversity Director **See page 48 to 50** • We issued our Women in Finance Charter Statement and our Gender Pay Gap Report **See page 49** • We were awarded a BRONZE status on accreditation by the Inclusive Employers Standard (IES) **See page 49** • We joined 'The Business Disability Forum' **See page 49** • We continue to support colleagues' physical and mental wellbeing and have an active programme of wellbeing events **See page 50** • We launched career development and leadership programmes **See page 50.**
Charities and communities	We have a wealth of talent and experience within our business and support communities through pro-bono work, volunteering and charitable giving.	• The Group's corporate charitable objective is to improve inclusion and diversity in financial and professional services. **See page 52** • We donated £100,000 to Impetus, an organisation transforming the lives of young people from disadvantaged backgrounds, and supported Impetus charities through provision of pro-bono work and volunteering **See page 52** • The Group donated £100,000 to the British Red Cross Ukraine Crisis Appeal. • We increased our colleague matched fundraising to £500 for an individual and to £2,500 for each team fundraising event **See pages 52 to 53** • The Evelyn Partners Charitable Trust made donations of £64,000 during the year. **See page 53** • We participate in programmes which support our inclusion and diversity strategy. **See page 54**

Environment

We are committed to managing our business in a sustainable way to minimise our impact on the environment. Our environmental considerations include waste (paper, recycling and plastics), food, water, biodiversity and deforestation, energy efficiency and carbon emissions. We select sustainable buildings and ensure our offices are sustainably fitted-out to high standards. We are striving to achieve the relevant UN goals on meeting environmental targets and have set ourselves the goal of achieving Net Zero on our corporate operational emissions as soon as possible.

We are supporters of the Taskforce for Climate-related Financial Disclosures (TCFD) reporting framework and its recommendations and are pleased to include a Climate-Related Financial Disclosures Report on pages 56 to 64.

Environmental considerations are also embedded within our investment processes. Further details can be found in the Responsible Investment section on pages 45 to 47.

Why it's important

The impact of climate change has contributed to extreme floods, wildfires, droughts and storms in various parts of the world. Temperature records continued to be broken as evidenced by the extreme weather events which occurred globally throughout the year. Based on current pathways and trajectories, climate scientists report that the window to take action and avoid the most severe impacts of climate change is narrowing. To ensure a sustainable future, the onus is on all of us to reduce our climate impact.

Governance

The Environment pillar is headed by Andrew Baddeley, the Group Chief Financial Officer (CFO), and a member of the Board and GEC. As environment pillar lead, his role is to ensure that the environment is considered throughout the business, to lead and oversee the activities being undertaken to meet the Group's strategy of achieving operational Net Zero. He is supported in these activities by the Board, the GEC and by senior management and colleagues throughout the business. In 2022, Andrew reported to the Board on progress against the Environment strategy on a quarterly basis. This will be reported to the Board ESG Committee quarterly from March 2023 onwards.

Activities during the year

This year, our activities focused on implementing policies, improving processes and data, and measurement of additional Scope 3 category emissions across our value chain, including limited disclosures related to Scope 3 category 15 the 'financed emissions'. Progress relating to financed emissions are discussed within the Responsible Investment section on page 47.

The key activities were as follows:

Policies

Following the introduction of the ESG policy, we introduced the environmental management framework (EMF) and the environment policy.

The EMF embeds the TCFD requirements within the organisation's policies; it covers the key areas of governance, strategy, risk management, opportunities, metrics and targets and is the over-arching framework relating to the environment. The environment policy supports the EMF and details our environmental approach, gives detailed guidance and sets out expectations and direction of travel. The policy deals with energy, waste and recycling, food, water efficiency, biodiversity, sustainable buildings and sustainable fitouts and our approach to the value chain.

Both the EMF and environmental policy were approved by Board and will be reviewed annually.

Measurement of emissions

We worked with our climate consultants to expand the measurement of Scope 3 emissions across all categories, excluding 'financed emissions'. The Scope 3 measurements were completed for both 2021 and 2022, aiding our understanding of our impact and informing the environment strategy going forward.

The emissions tables on page 42 detail the impact by category.

Sustainable building

In 2022, we completed the sustainable fitouts of two key premises where 45% of our colleagues are based.

Gresham Street, London

In May 2022, approximately 1,600 colleagues were relocated to Gresham Street. Our London colleagues, previously housed in four separate locations, were re-located into one London office.

The Gresham Street office has been fitted out to high standards of environmental sustainability and to accommodate smart and agile working, which has allowed us to reduce our office space and support our operational sustainability efforts.

The Gresham Street building is BREEAM-rated 'Excellent'. BREEAM is the world's leading science-based suite of validation and certification systems for the sustainable built environment.

Environmental features of the building include:

- the air handling units benefit from thermal wheel heat recovery which improves energy efficiency by 70%
- a high efficiency cooling tower which utilises 78% less fan power compared to a traditional cooling tower

- a 735 square metres sedum (green) roof and a rooftop beehive with 13,500 bees and a dedicated beekeeper, to promote biodiversity
- green spaces provided by the many plants throughout the building absorb internal carbon emissions
- sensor LED lighting throughout
- an accessible bike storage area for 150 bicycles and no car parking spaces.

Colmore Row, Birmingham

In June 2022, approximately 150 colleagues were relocated to Colmore Row. Our Birmingham colleagues, previously housed in two separate locations in Birmingham, were able to re-locate into one office and reduce our required office space.

The Colmore Row office has similarly been fitted out to high standards of environmental sustainability and to accommodate smart and agile working. It is also a BREEAM-rated 'Excellent' building.

Environmental features of the building include:

- it is the first commercial office development in Birmingham's central business district to benefit from the City's District Energy Scheme, a scheme which aims to cut CO2 emissions by 60% by 2027
- it has an EPC rating of A; it is the first building to achieve this in Birmingham City Centre. Power is produced by low and zero carbon technologies
- it benefits from a unique closed loop recycling scheme with Protec
- it has a 'Wiredscore' rating of Platinum indicating a best-in-class digitally connected building, with reduced power requirement
- green spaces are provided by the many plants throughout the building absorbing internal carbon emissions. It also features a quadruple-height winter garden
- sensor LED lighting throughout
- an accessible bike storage area for 92 bicycles and dedicated electric car charging points.

Bothwell Street, Glasgow

Our newly secured office space at 177 Bothwell Street, Glasgow, is likewise a BREEAM-rated 'Excellent' building. It is a fully electric building with 100% renewable energy supplied from a local source. Other sustainable features will include a rooftop running track and 318 cycle spaces.

The fit-out is in progress and will be completed in the first half of 2023; colleagues are expected to relocate there in summer 2023.

Sustainable facilities

Following these office moves, we replaced disposable cups and cutlery with re-useable crockery, cutlery and glasses. The board room table is made with Richlite, a sustainable solid paper composite.

As part of the rebrand to Evelyn Partners, all colleagues were issued with a travel mug, re-usable water cannister and a sustainable bag. These are also issued to all new starters.

We purchase ethically sourced catering supplies (tea, coffees and other refreshments) and select locally sourced foodstuffs where possible. We use bio-degradable waste sacks and environmentally friendly cleaning products.

We continue to develop our understanding of our climate impact by office so that we may set a realistic climate reduction plan for each office. Our initial focus is on our larger offices and those where we procure services directly.

Renewable energy

As a large group with offices across the United Kingdom, as well as the Republic of Ireland and the Channel Islands, we source energy for our offices through a number of providers, both directly and indirectly, dependant on the office location, the energy sources available and the leasehold arrangement.

Where we procure energy directly, we aim to increase our energy from renewable sources. In 2022, 83% of our directly procured energy and 61% of our total energy, was supplied from renewable sources supported by Renewable Energy Guarantees of Origin (REGO) certificates. The REGO scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation.

As we move more of our business into sustainable buildings, we will naturally increase the percentage of energy from renewable sources.

Scope 1, Scope 2 and Scope 3 emissions

During the year, we worked with our climate consultants to include all Scope 3 emission categories, excluding financed emissions, in our assessment. This exercise was completed for both the year ended 31 December 2022 and the year ended 31 December 2021. For further details regarding the 'financed emissions', see page 64.

Scope	Description	Emissions tCO_2e 2022	Emissions tCO_2e 2021
Scope 1	Direct emissions from the combustion of gas & fuel	**393.8**	286.9
Scope 2	Indirect emissions from the purchase of gas & electricity (location based)	**1,033.1**	1,225.0
Scope 3	Total Scope 3 emissions, excluding financed emissions	**42,613.6**	43,695.3
Total emissions, excluding financed emissions		**44,040.5**	45,207.2

An explanation of the movement in the emissions from scope 1 and 2 are detailed under Streamlined Energy and Carbon Reporting (SECR) on page 43.

Our Scope 3 emissions are further analysed as follows:

Scope 3 Category	Description	Emissions tCO_2e 2022	Emissions tCO_2e 2021
1	Purchased goods and services	**35,474.6**	31,880.9
2	Capital goods	**2,690.0**	8,155.0
3	Fuel and energy related activities	**428.2**	504.7
4	Upstream transportation and distribution	**188.0**	221.0
5	Waste generation in operations	**58.3**	43.9
6	Business travel	**1,021.5**	303.8
7	Employee commuting (and homeworking)	**2,753.0**	2,542.0
8	Upstream leased assets	**-**	44.0
Total Scope 3 emissions, excluding financed emissions (note 1)		**42,613.6**	43,695.3

Note 1: Scope 3 category 13 is captured within Scope 3 category 1-8 emissions. Scope 3 categories 9 to 14 are not applicable to our business.

The table clearly shows that the majority of our emissions are generated from Scope 3. The largest proportion of Scope 3 excluding financed emissions are from Category 1 - Purchased goods and services (83.2%). This is higher due to the increased activities as colleagues returned to offices post Covid-19, and also due to the increase in trading volumes and number of employees. To reduce this, we will focus on reducing emissions associated with purchased goods and services by engaging with suppliers on climate strategy and exploring the use of less carbon intensive supplies and services. Category 2 - Capital goods emissions were significantly reduced from 8155.0 (18.7%) to 2,690.0 (6.3%) during the year as we completed the fitouts and moved into our new offices in London and Birmingham, both large projects with significant capital outlay. Category 7 - Commuting and homeworking (6.5%) rose by 8.3% as we returned to the office. Lastly, Category 6 – Business travel saw a significant increase as business travel returned following the lifting of significant travel restrictions in place globally in 2021.

Overall, despite the return to a normal post-Covid-19 year and an increase in trading volumes, we were pleased to note a reduction in total emissions, excluding financed emissions, of 2.5%.

We have included limited disclosures relating to Scope 3 category 15 'financed emission' on page 64 and will expand on these disclosures in the years ahead.

Scope 3 and the supply chain

To enhance our understanding of ESG within the value chain, we circulated a pilot ESG questionnaire to key suppliers, from large to small organisations and across different sectors. We are reviewing external solutions for evaluating ESG by supplier and will further develop the ESG strategy relating to our suppliers. As mentioned, this will include engaging with suppliers to understand their Climate Strategy as we work towards reduction of our upstream Scope 3 emissions.

In 2022, we introduced a new Group procurement policy which includes a Supplier Code of Conduct. This policy sets out Evelyn Partners' ESG expectations of our suppliers and how we will assess ESG. Further information can be found on page 55.

CDP

During 2022, we signed up as supporters of CDP (formerly the Carbon Disclosure Project) and completed our first CDP climate questionnaire to track and benchmark our progress as we reduce our climate emissions. We achieved a 'C' rating and will improve on this in the years ahead.

This will be completed annually to enhance transparency of our progress. On reducing our environmental impact.

Employee Engagement and Awareness

Our people and colleagues play a vital part in transitioning to Net Zero on our corporate operations. Learning and development around ESG is a key priority for the Group.

To support our endeavours, early in 2023, we launched an Environment Steering Committee and an Environment Forum. The roles of both are to promote, champion and support our environment strategy and to increase awareness of our Environment agenda and to be a sounding board for ideas and initiatives with a view of improving our approach, implementing and developing our agenda. Both will meet at least on a quarterly basis to communicate activities and progress.

Streamlined Energy and Carbon Reporting (SECR)

As a UK incorporated, large organisation, Evelyn Partners is required to report its UK energy under the SECR requirements on its greenhouse gas (GHG) emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The table below summarises the energy consumption and GHG emissions for the Group for the year ended 31 December 2022, with comparatives for the year ended 31 December 2021, measured in metric tonnes of carbon dioxide equivalent (tCO2e). Please see note 52 for a list of the companies included in the Evelyn Partners Group.

	tCO2e 2022	tCO2e 2021
Energy consumption used to calculate emissions, kWh	7,450,804	7,699,130
Scope 1 Emissions from combustion of gas	394	287
Scope 2 Emissions from purchased electricity (location-based)	983	1,218
Scope 3 Emissions from business travel in rental cars or employee-owned vehicles, where company is responsible for purchasing the fuel	74	97
Total gross (Scope 1, 2 and 3, as above)	1,451	1,602
Intensity ratio: tCO2e / FTE	0.43	0.58
Scope 2 Emissions from purchased electricity (market-based)	408	1,218
Outside of Scopes	7	-

Scope 1 emissions increased (37.3%) as a result of a return to offices post-Covid. However, the combined Scope 1 emissions of the legacy entities in 2019 were 559 tCO2e the last normal pre-Covid year, 42% higher than 2022. Emissions from purchased electricity (location-based) decreased by 19.3% to 983. This is calculated using DEFRA location-based averages. Emissions from purchased electricity (market-based), a measure which more accurately reflects the decision to procure REGO-backed renewable electricity where we can, shows a significant reduction in our emissions, a fall of 66.5% from 1,218 to 408 tCO2e. A comparison with 2019 purchased electricity emissions of 1,669 tCO2e gives a decrease of 75.6% over the period.

These actions, the change to 'Smart working' and the reduction in our overall office space, has resulted in a significant decrease in our emissions intensity ratio per full-time equivalent employee from 0.58 to 0.43.

We have used the main requirements of the Greenhouse Gas Protocol to calculate our emissions. We have reported on all the emission sources required under the regulations. These sources fall within the Group, with an operational control approach being followed when defining our organisational boundary. We do not have responsibility for any emission sources that are not included in our consolidated statement. Where necessary due to the unavailability of meter readings, any estimates included in our totals are derived from actual data in the same reporting period which have been extrapolated to cover any missing periods. Where actual data was not available, consumption is estimated based on our floor area and the Real Estate Environmental Benchmark from the Better Buildings Partnership. We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard, along with the UK Government's GHG Conversion Factors for Company Reporting 2022 to calculate our emissions. The intensity ratio has been calculated based on the Scope 1 and 2 emissions compared to full-time equivalent heads. This is comparable to the measure used in prior years and is considered to be the most relevant for a people-based business such as ours.

Scope 1 emissions are direct emissions from gas used for heating in our offices. Scope 2 emissions are associated with our consumption of purchased electricity, heat, steam and cooling. The only Scope 3 emissions included above relate to the consumption of fuel used for company transport. Our total emissions, excluding financed emissions, are disclosed under heading Scope 1, Scope 2 and Scope 3 on page 42. The SECR emissions are including within those total emissions.

In addition to our partnership with our climate consultants, our Mechanical Electrical Plumbing (MEP) service partner for the Group provides an additional layer of energy use monitoring and reporting by providing the following:

- a year-by-year comparison of our monthly energy consumption and cost
- reporting on building operation approach, controls of central plant identifying notable variance from the commissioned performance of equipment or systems
- benchmarking of each office energy performance against CIBSE's TM46 published benchmarks
- identifying energy saving opportunities by each office location.

We are seeking to partner with a bureau service to work across our office portfolio to ensure we have transparency of all utilities consumed, both directly and indirectly.

Looking forward

To help further reduce our operational carbon footprint and add to our sustainable offices, we look forward to moving our Glasgow colleagues into their new Glasgow office in 2023.

Other activities planned for the coming years, are summarised below.

- We will be measuring and improving the emissions data of each office as we work towards defining a climate strategy
- We will continue to make environmental improvements in our existing offices by working with our landlords and are considering sustainability in our office selection as leases expire
- We will assess and report (internally) on a target number of supplier ESG ratings and follow up recommendations with those suppliers
- We will continue to develop our strategy to reduce emissions throughout the value chain
- Via our Environment Steering Committee and the Environment Forum, we aim to engage our colleagues, increase their knowledge and awareness of climate issues and their impact, and improve our environment approach
- As CDP supporters, we will be transparent in our climate actions and will complete a CDP questionnaire in 2023
- We will further develop our environment strategy, risk management and metrics as we further align with the TCFD
- We will continue to support training in ESG and sustainability and climate to expand our knowledge base
- We will continue to keep abreast of the many developments and guidance relating to Net Zero.

Responsible Investment

Responsible Investment is about incorporating consideration of ESG factors in the way we invest our clients' assets, alongside purely financial considerations, combined with the practice of active ownership, also known as stewardship.

As responsible investors, we are engaged in the stewardship of the businesses in which we invest on behalf of our clients. We use our influence as shareholders to improve investee companies' own ESG practices and performance. We do this by engaging (directly and collaboratively) with companies where we have material shareholdings and by voting at shareholder meetings. As good stewards of our clients' capital, we seek to encourage better business practices which will both enhance value and reduce potential risks as well as reduce the impact of holding those investments on the environment and wider society.

The Group exercises its fiduciary duties for all clients as a responsible investor. We do not seek to impose a target for ESG factors on our clients' portfolios, such as Net Zero greenhouse gas emissions, unless we are specifically instructed to do so by individual clients.

Why it is important

Responsible Investment is an important principle for the Group. ESG factors can have a significant impact on the long-term financial performance and risk profile of investments, both positively and negatively; therefore, we have integrated consideration of these factors as a core component of our investment approach. Our investment process has traditionally had a bias towards well-managed companies with sustainable business models.

We believe that companies with high standards of governance and corporate behaviours, sustainable business models, and which make a positive contribution to communities are less risky long-term investments.

Governance

Please refer to our responsible investment governance structure on page 57.

John Erskine, the Chief Investment Management Director, leads the Responsible Investment pillar, as a member of the Group Executive Committee (GEC), and in 2022 reported to the Board on progress against the Responsible Investment strategy on a quarterly basis. This will be reported to the new Board ESG Committee from March 2023 onwards on a quarterly basis. The Board has delegated authority, via other Committees, to the Investment Process Committee (IPC) to manage and develop the investment process, including investment risk, the IPC has appointed the Stewardship and Responsible Investment Group (SRIG) to oversee the Group's approach to responsible investment. Governance of the Group's investment process is shown in the responsible investment governance structure.

SRIG comprises a range of investment managers from across the business and includes representatives of the Stewardship and Responsible Investment team (SRI), Compliance, Investment Risk and Regulatory Developments.

SRIG's objectives include the integration of ESG and responsible investment into the investment process, overseeing voting and shareholder engagement, and ensuring that stewardship activities are communicated. To manage active stewardship, SRIG works closely with all parts of the investment process.

The SRI team provides operational support to SRIG. They are responsible for the day-to-day management of responsible investment and for maintenance of our internal responsible investment hub. They provide advice and assistance to investment managers as the first point of contact for responsible investment matters.

SRIG normally meets monthly and reports to the IPC. The IPC reports via other Committees to the GEC.

UN PRI & UK Stewardship code 2020 & Other memberships

UN PRI

Evelyn Partners, through its legacy businesses, is a signatory of the UN Principles for Responsible Investment. Originally, we became a signatory to the UN PRI in October 2018 as Smith & Williamson, and Tilney become a signatory in July 2020. We intend to submit an Evelyn Partners application to cover the merged business in 2023.

UK Stewardship Code 2020

Our subsidiary, Evelyn Partners Investment Management LLP (formerly 'Smith & Williamson Investment Management LLP'), is a signatory of the 2020 Stewardship Code. Following the rebrand to Evelyn Partners, an application for Evelyn Partners was submitted in October 2022; we were successful in that application and Evelyn Partners remains a signatory of the UK Stewardship Code.

The above obligations frame the Group's investment process, policies, and procedures to help manage conflicts of interest, pursue an active voting policy and monitor the companies in which we invest.

Other Industry Groups

The Group participates in industry working groups for stewardship initiatives and is a member of the following bodies:

- The Investment Association
- Personal Investment Management and Financial Advice Association (PIMFA)
- The Investing and Saving Alliance (TISA).

CDP

During the year, we submitted our first climate questionnaire to CDP, formerly the Carbon Disclosure Project, and became a CDP supporter to track and benchmark our progress as we align with the TCFD and reduce our environmental footprint. Further information can be found on page 42.

Stewardship and engagement

The UK Stewardship Code defines stewardship as the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. It is closely linked with the practice of engagement or active ownership.

We practice stewardship and active ownership through regular engagement with companies.

Sector specialists

Sector specialists, a cohort of approximately 120 in-house research analysts covering multiple sectors, conduct research into UK and overseas equities and collective funds. Sector specialists identify the most important ESG factors (typically the most significant 3 to 5) for the sector in which the company operates, and evaluate the short, medium, and long-term impact of ESG factors on performance. Sector specialists categorise collectives into three categories: Green Tick funds, Responsible/Sustainable funds, and all other funds.

Voting policy

Our approach to voting is based on the expertise and experience of sector specialists and investment managers, which allows more nuanced judgements than the rules-based approach provided by proxy voting advisers. We also use proxy voting advisers.

During the year, we voted at 787 meetings (2021: 845) and sent 149 engagement letters (2021: 163). Our voting activity is published on our website.

Collaborative engagement

The Group is a member of collaborative engagement platforms to amplify the impact it can make by working with other investors and industry peers to influence and address various ESG topics, and wider themes.

We are members of:

- *The Investor Forum*: a community interest company set up by institutional investors in UK equities. The forum helps investors to work collectively to escalate material issues with the Boards of UK-listed companies
- *Climate Action 100+*: an investor-led initiative to ensure the world's largest corporate greenhouse gas (GHG) emitters take necessary action on climate change. We are part of a working group engaging with one of the world's 100 largest GHG emitters
- *Find it, Fix it, Prevent it*: an investor-led, multi-stakeholder project designed to harness the power of the investment community to increase the effectiveness of corporate actions against modern slavery
- In 2022, we became a founding member of the CCLA Corporate Mental Health Benchmark, an investor-led, multi-stakeholder project, working towards protecting and promoting good workplace mental health.

Investment processes and active ownership

The Group considers that the growth of ESG investing is a strong long-term theme that will have capital allocation impacts across different sectors and industries. This affects the guidance provided to investment managers and the coverage lists of securities and funds.

We use third-party research tools and databases to provide our investment managers with core ESG data to assist in measuring ESG factors and sustainability risks. These tools allow investments to be mapped to the 17 Sustainable Development Goals (SDGs), the Principal Adverse Impacts (PAI) and for key indicators to be identified such as Scope 1, 2 and 3 emissions measured in line with the Greenhouse Gas protocol. They provide useful analysis regarding the rating for each element of the environmental, social or governance rating.

The Group is considering subscribing for additional ESG and climate-related products to allow us to improve our voting process in respect of ESG and climate-related issues.

Our sustainable investment products and services

Our discretionary portfolio service applies a responsible investment approach to all our client portfolios based on our standard investment strategy, which integrates ESG factors into our investment decisions and stewardship actions.

We also offer clients a bespoke ESG discretionary service. Portfolios are tailored according to individual client preferences, including screening ESG attributes, restrictions, best in class investments for securities and investments with sustainable themes. We are also able to provide clients with the carbon footprint of their portfolios, upon request.

Our Sustainable Managed Portfolio Service (SMPS) is a UK-based range of strategies, in place since September 2011. The SMPS range provides financial advisers with access to a suite of sustainable discretionary investment management strategies to cater for different client risk and return objectives.

The Evelyn Active Portfolios (EAP) range is a series of unitised fund-of-funds, which includes the Evelyn Sustainable Portfolios. The original Sustainable EAP fund is classified as an Article 8 product under the EU Securities Finance Disclosure Regulation (SFDR), as the fund "promotes environmental and social characteristics". The Evelyn Sustainable Cautious Portfolio (previously known as the Tilney Sustainable Portfolio) was crowned the Best ESG Investment Strategy in 2021 in the City of London Wealth Management Awards.

In December 2021, we launched the Evelyn Sustainable Adventurous Portfolio (previously known as the 'Tilney Sustainable Adventurous Portfolio), a further addition to the EAP range. This portfolio is managed on a similar basis to the Sustainable Cautious fund but is aimed at retail investors seeking a long-term growth focused portfolio of investments which demonstrate strong ESG and sustainability credentials, with a marginally higher risk profile than the Sustainable Cautious Portfolio.

The EAP Sustainable Portfolios and SMPS use both positive and negative screening, with ethical and sustainable objectives as part of their core investment thesis and fund selection criteria. Their investment approach focuses on funds with sustainability themes which actively engage and invest in companies that operate in those areas. These sustainable portfolios also aim to avoid investing in companies with products or services that have a negative environmental or social impact.

Evelyn Partners was awarded 'ESG Initiative of the Year' and 'International Discretionary Fund Manager of the Year' at the International Adviser Awards 2022.

Financed emissions

The Responsible Investment team supported by the digital technology services completed a project to measure a significant proportion of our 'financed emissions' using a third-party data vendor. The progress on measurement of financed emissions is explained in further detail on page 64.

Training and education

Ongoing training on stewardship and responsible investment is provided to Financial Services colleagues, senior executives and members of the Board.

Learning and development around ESG continues to be a key priority for the Group. We encourage our colleagues to take internal and external training related to sustainability and responsible investment, including the CFA's 'Certificate in ESG Investing' and the 'Certificate in Climate', endorsed by the UN PRI.

Client ESG knowledge sharing

We aim to improve the knowledge base of our clients, through the production and communication of responsible investing articles and thought leadership pieces, as well as regular conferences and webinars. Our responsible investment publications can be found on the external facing Stewardship and Responsible Investment section of our website and are regularly communicated to our clients.

Policies

We maintain a series of policies which support responsible investment and stewardship activities which are disclosed on the responsible investment section of our website. These include:

- Responsible Investment policy
- Voting policy
- SRD II engagement policy
- Conflicts of interest policy
- Sustainability disclosure policy.

Looking forward

In 2023, the Group will become subject to the FCA's implementation of the TCFD. These provisions require comprehensive disclosures of the impact of our clients' investment portfolios on the global climate and our assessment of climate risk on the value of those investments. Considerable work has been undertaken in 2022 on our data systems to provide the relevant metrics and those of the comparable EU regime which applies to our Irish subsidiary and the EAP pooled funds. Please see the TCFD section of this report for the metrics on our portfolios as of 31 December 2022.

We will continue to embed ESG into our processes, policies, strategy and decision-making. We continue to encourage our colleagues to take internal and external training related to sustainability as detailed above.

Transparency is of the utmost importance to us. We will remain transparent and share our progress with announcements and updates on our website.

People

Our people and our culture are central to our successful and unique client proposition. It is the quality of our people, their skills and expertise, and the trusted long-term relationships they establish with their clients, which underpins and sustains our success.

Our ability to attract, develop and retain a diverse pool of talent is a central strategy. An emphasis on providing development opportunities and structured career paths, alongside a competitive reward model, were the key focuses in the year.

Maintaining the appropriate knowledge and expertise supports excellent client engagement and is of paramount importance to Evelyn Partners.

Governance

The People pillar is headed by Benne Peto, our Group Chief People Officer (CPO) and member of the GEC. In 2022, Benne reported to the Board on progress against the People strategy on a quarterly basis. This will be reported to the new Board ESG Committee from March 2023 onwards. She is responsible for implementing the People strategy which includes culture, smart working and communication, inclusion and diversity, wellbeing, talent management, people development and remuneration.

The People strategy continues to focus on three broad themes:

- Culture - to embed the culture and values which support our brand and the achievement of our organisational goals
- Inclusivity & Diversity (I&D) — to support our I&D strategy as detailed below
- Wellbeing — to improve colleagues' wellbeing, including physical, emotional, financial and social wellbeing.

Activities during the year

Culture

In 2021, we launched our new purpose and values as:

Our purpose is *'to place the power of good advice into more hands'*, reflecting our commitment to our clients, the quality of our colleagues and our proposition, and the ambitions of the business.

Our values reflect what is unique about our culture and our shared ways of working. They are:

- Personal - we treat you as an individual
- Partnership - we go further together
- Performance - we strive for more.

We continue to measure performance against our values and undertook two employee Pulse surveys in the year, covering colleague engagement, client focus, communication, leadership, management, enablement, career development, purpose and value. We added further sections relating to wellbeing and corporate responsibility. Following the launch of our new brand, we added a section regarding the brand. The later survey was completed by 82% of our colleagues and almost all scores had improved compared to the first survey of 2022; we are delighted with the progress being made. We were particularly pleased to see high scores achieved for purpose and values, confidence in management, communications and wellbeing.

The insight provided continues to directly inform the People strategy.

Smart working and communication

The Smart Working framework provides clear guidance to colleagues and management and has enabled better facilities planning, and usage thereby reducing office space requirements. Further details can be found in 'sustainable buildings' pages 40 to 41.

Communication, digital technology, well-defined culture and values and good leadership are essential to the Smart Working framework. We continue to invest in digital technology to enable our colleagues to communicate and work together effectively from multiple locations. This year, our former legacy intranets were combined following the re-brand to Evelyn Partners, facilitating easier access for all colleagues and providing a single, unified site and a consistent colleague experience for all.

There is frequent communication from the leadership team, supported by several executive management committees and the Board. Quarterly all colleague updates and regular team meetings ensure that colleagues understand our shared organisational goals and the progress being made towards achieving them. This year, we added ESG to the quarterly updates.

Inclusion and diversity (I&D)

We recognise our responsibility to be an inclusive employer as well as the value that diversity brings in strengthening our ability to achieve our goals.

In 2022, we reviewed our inclusion and diversity strategy, appraised the latest research, and considered the challenges we face and our progress. As a result, the Diversity & Inclusion Committee (DIC), established in 2021, was relaunched as the Inclusion & Diversity Committee (IDC) in early September 2022 reflecting that diversity is a product of an inclusive environment. IDC membership was selected to reflect its diversity aims as indicated below.

Our inclusive culture aims to ensure that colleagues of all backgrounds, life experiences, preferences and beliefs are respected and valued as individuals, are treated equitably and respectfully and that colleagues have a sense of belonging and security and are free to speak up. We want colleagues to feel empowered, to have an equal opportunity to contribute to business success and to be their authentic selves.

Our diversity should reflect, but is not limited to diversity of:

- thoughts and opinions
- age
- gender and gender identity
- sexual orientation
- race and ethnicity
- religion or belief
- physical and cognitive ability; and
- social background.

Central to our I&D objectives, we are committed to the education, recruitment and retention of a diverse workforce that reflects wider society and our client base. We use an outsourced recruitment provider to remove unconscious bias, thereby allowing us to apply consistent criteria to a diverse candidate pool. We provide training to our hiring managers on business wide sub-conscious bias.

Highlighting the importance of I&D, in 2022 the Board approved policies on Board Diversity and Board Director Suitability, Induction & Training.

Appointment of a dedicated Inclusion and Diversity Director

In 2022, we appointed a dedicated Inclusion and Diversity Director to drive forward the Group I&D Strategy. She is supported by the IDC and the Inclusivity & Diversity (I&D) networks within the business.

As a flavour of some of our initiatives, promoted by the I&D networks during the year, the Committee:

- supported by the Race, Religion and Ethnicity (RaRE) network engaged in religious and cultural celebrations
- via the Gender Equality network (previously the Women's network), supported participation in national recognition days such as International Women's and International Men's days
- following the lifting of COVID-19 restrictions, hosted an inaugural in-person meeting of the firm's Proud Network which celebrates members of the LGBTQ+ community.

Inclusive Employer's Standard (IES)

The Inclusive Employer's Standard (IES) is an evidence-based workplace accreditation tool for inclusion and diversity. Participants answer 35 questions that cover all the protected characteristics and wider I&D themes. We completed our first assessment during the year and are pleased to announce that Evelyn Partners was awarded a BRONZE status under the IES.

Business Disability Forum

We became members of the Business Disability Forum, a leading business membership organisation in disability inclusion. It works in partnership with business, government, and disabled people to remove barriers to inclusion. We are working towards becoming a Disability Smart Employer.

Women in Finance Charter

As supporters of the Women in Finance Charter pledge for gender balance in financial services, we seek to improve gender diversity in both Financial Services and Professional Services.

This year, we signed the Women in Finance Charter outlining our commitment to working towards greater female representation (particularly at a senior level) within our industry. Our statement can be found on our website at evelyn.com within in the People section.

Gender Diversity

We are making progress on improving gender diversity of the Board and senior management team and are committed to improving this within all levels of the organisation. The following table shows the gender mix of the Group:

Organisation level	Female		Male		Total
31 December 2022	Number	%	Number	%	Number
Board of Directors	3	27%	8	73%	11
Group Executive Committee	3	27%	8	73%	11
Senior management	33	24%	107	76%	140
All colleagues	1,620	45%	1,980	55%	3,600

Organisation level	Female		Male		Total
31 December 2021	Number	%	Number	%	Number
Board of Directors	2	18%	9	82%	11
Group Executive Committee	4	36%	7	64%	11
Senior management	33	24%	105	76%	138
All colleagues	1,520	46%	1,766	54%	3,286

The all colleagues number in the table above includes the Group Executive Committee and the senior management.

Our Gender Pay Gap Report 2022, which is expected to be issued in March 2023, will be available on our website at evelyn.com within the Corporate Responsibility section. We have highly talented women in leadership positions and are encouraged to see our mean and median pay and bonus gaps reducing and more women in the upper pay quartile. As an employer, we are committed to reducing our gender pay gap and continue to focus on ways to encourage and support the progression of women into senior roles through recruitment, promotions and mentoring.

In October 2022, we launched our first 'Women in Leadership Series', aimed at bringing together our senior female leaders from across the business and to ensure that our talent development programmes have strong female representation. For further details, see 'Talent Management and people development'.

Wellbeing

Our employees are our most valuable resource, and we wish to support and improve their wellbeing and organisational resilience.

In 2021, we launched our colleague wellbeing strategy to improve colleague wellbeing across several areas including emotional, physical and financial wellbeing. This has had a positive impact on our colleague's engagement.

We made available resources and information to support colleagues, such as online wellbeing guides. We have an employee assistance programme and family friendly policies. We offer enhanced benefits such as additional holidays and private medical cover.

During the year, we have had an active programme of wellbeing events and colleague engagement in support of 'Wellness' with initiatives such as 'Time to Talk', 'Financial wellbeing webinars', webinar on the benefits of sleep on 'World Sleep Day', 'Mental Health Awareness week', a focus on 'Menopause' and 'British Heart Foundation' fitness checks.

Our people have access to Peptalk: a regular programme of talks relating to physical and mental wellbeing hosted by experts in each field. Recent topics have included 'Whole body mental health', 'Money Clinic', 'Nutritional Clinic', 'Raising emotionally healthy children' and 'Unlocking the kindness code'. We have encouraged conversations around wellbeing including mental health and we have shared experiences.

We have been developing the leadership skills which support organisational resilience and wellbeing.

Bi-annual colleague Pulse surveys provided valuable insights including ratings on how well colleagues feel supported, on emotional, physical and mental resilience and work life balance.

Talent management and people development

Our clients rely on the expertise and judgement of our people. As such, the maintenance and development of the expert level of skills required is an important aspect of our business.

We invest in our people and value professional skills and achievement of qualifications. We participate in apprentice schemes and professional training schemes and provide employee incentives, such as study leave and financial support for the achievement of technical examinations and professional body membership. We offer professional training in a number of disciplines including accountancy, taxation, investment management and financial planning. Once qualified, our colleagues have access to regular external and internal professional development courses and relevant technical updates for their areas of specialism, to ensure that their knowledge is kept fresh.

Recruiting the best talent continues to be a key area of focus for the business. We made a number of key hires during the year.

In 2022, we also introduced a new induction programme. All new colleagues across the business experience a consistent core induction. This induction plays an important part in welcoming new joiners, whilst communicating our purpose and values.

We are committed to offering all colleagues career and personal development opportunities and launched several development and leadership programmes during the year.

'Develop' launched in April 2022, offering all colleagues access to over 5,000 pieces of online learning linked to personal and professional topics including career development, management, leadership, wellbeing, inclusion and diversity.

In May 2022, our first of two 'Life Leader Programmes' launched, for those at early-career stage. A pre-launch with the CEO, Executive and Senior Leaders was well received by participants and reinforces our commitment to 'lead by example'.

Next to launch was 'Inspire', our new online leadership development pathway with The Institute of Leadership & Management (ILM). This saw 200 managers invited to participate and work towards gaining accreditation as a professional member of ILM.

In October 2022, our first 'Women in Leadership Series' started, aimed at bringing together our senior female leaders from across the business, through regular quarterly roundtables with members of the GEC. This supports our strategy to support and develop female leaders to close the gender gap.

Our final launch in 2022 was the 'Executive Leadership Series', a professional leadership programme.

We have created an online community to engage and continue the 'leadership conversation' and to learn from each other via our new 'Let's Talk Leadership' Yammer page on our intranet.

We truly value development of all colleagues and we will continue to build on this in 2023.

Remuneration

Our remuneration strategy aims to reward outstanding client outcomes and experiences, aid high performing colleague attraction and retention, and support the wider business objectives, within a robust risk, compliance and regulatory framework. The principles which underpin our remuneration strategy and support the achievement of our aims are to:

- enable colleagues to benefit from a competitive base salary, pensions and benefits package, and participate in a bonus plan
- consider total compensation against competitor and market benchmarks
- ensure that we recruit and retain key talents
- ensure that our approach is compliant with regulations and aligned with sound risk management, and in accordance with applicable requirements including the management of sustainability risk
- enable key senior colleagues to participate in the equity value created.

Policies

We maintain a series of people policies including those which specifically support our Corporate Responsibility strategy as listed below:

- Equality, Diversity and Inclusion policy
- Board diversity policy
- Health and wellbeing policy
- Dignity at work policy
- Living wage policy
- Flexible working policy
- Recruitment policy
- Family leave policy.

We review our policies annually to ensure they remain relevant to our people agenda.

In 2022, we introduced the living wage policy and updated the health and wellbeing policy to give new guidance relating to menopause.

Looking forward

We have made significant progress in year. In the coming year:

- We are committed to improving diversity within our organisation and industry and continuing to develop our inclusion and diversity strategy
- We are committed to reducing our Gender Pay Gap and supporting the progression of women into senior roles through recruitment, promotions and mentoring and leadership development
- We will continue to monitor and develop our remuneration strategy and will link an element of ESG related objectives to bonuses
- We will continue to monitor colleague engagement and wellbeing, development and satisfaction by undertaking colleague Pulse surveys twice a year and adapting our strategy accordingly
- We will develop our metrics and targets related to inclusion, diversity, wellness and equality.

Charities and Communities

As a Group, we wish to support our local communities. We have a wealth of talent and experience within our business and are keen to share this and encourage our colleagues to get involved in community projects and activities.

Governance

The Group's Charities and Community pillar is one of the four pillars of our ESG corporate strategy.

During the year, the Charities and Community pillar was led by our then Group General Counsel Nicola Mitford-Slade. Following her retirement at the end of December 2022, Charley Davies, Group General Counsel, now leads the pillar. The strategy established under Nicola's tenure, including our partnership with Impetus, will be built on and developed by Charley who succeeded Nicola as General Counsel. We thank Nicola for her valuable contribution as pillar lead.

As Chair of the Charities and Community Committee (CCC), Charley's role is to ensure that both the corporate and colleague charitable objectives are met in line with the Group Corporate strategy, whilst ensuring that the Group's charitable policies are adhered to.

Our strategy for Charities and Communities focuses on four strands:

- Corporate charitable giving
- Colleague charitable giving
- Volunteering with our corporate partner, Impetus
- Volunteering with community charities.

The Group's corporate charitable objective is to improve diversity in financial and professional services. This aligns with the Group's inclusion and diversity strategy.

In line with our statement of purpose *'to place the power of good advice into more hands'* our charity aims are to:

- replicate values of personal, partnership and performance
- partner with charities which have a similar geographical footprint (with UK reach)
- be sustainable.

Activities during the year

Our corporate partner – Impetus

In 2021, we committed to a three-year partnership with Impetus, an organisation transforming the lives of young people from disadvantaged backgrounds by ensuring that they get support to succeed in school, in work and in life.

Impetus fund and support a portfolio of charities working hard to narrow the gaps in education or employment for young people from disadvantaged backgrounds. Like Evelyn Partners, Impetus's charities are spread across the UK and our colleagues have the opportunity to get involved and make a difference to a local charity within Impetus's portfolio.

During the year Evelyn Partner colleagues had the opportunity to work with Impetus charities through provision of pro-bono and volunteering work, particularly in mentoring to support and encourage disadvantaged young people to consider roles in both the financial services and the professional services sector.

The CCC also drove and coordinated volunteering activities with offices across the UK and Ireland supporting local community needs during the year.

To give a flavour of the charities supported and activities in which our colleagues engaged, some examples are given below:

- Into University – Helps disadvantaged young people gain a place within a higher education establishment. Into University prepares events for secondary school students to attend employability-focused business simulation events. We hosted events in London, Southampton and Glasgow and supported the events with Evelyn Partners volunteers acting either as mentors, advisers or judges for the events. The events were well attended and enabled attendees to explore opportunities in financial services and professional services as potential future careers
- MCR Pathways – A Scottish-based charity which works with care-experienced and other disadvantaged children on future opportunities. Events were held in support of MCR Pathways at our Glasgow office, where colleagues mentored children to help them with their education and future
- Resurgo – A charity that believes that everyone has a part to play in the transformation of society and use their expertise in coaching and impact management to equip and empower businesses, charities, churches and individuals to transform society. Events were held in support of Resurgo at our Bristol office
- Our professional services sector provided pro bono support to two Impetus Charities: Venture Trust and Action Tutoring. We helped both charities develop their strategy and growth plans for the next 3-5 years. We also helped them develop processes to execute their strategy effectively. Over 300 hours pro bono support was provided
- We donated the annual contribution of £100,000 to Impetus as pledged
- Our volunteers participated at the annual triathlon at Dorney Lake, Berkshire and raised £4,780 for Impetus charities, including matched contribution of £2,390.

Colleague charitable giving

Our colleague charitable giving objective is to support our colleagues' charitable endeavours by offering generous donation matching and employee volunteering opportunities.

Colleague matched fundraising is funded by the Evelyn Partners Charitable Trust (EPCT), formerly the Tilney Charitable Trust. The Trust was established in 1979 and has a strong heritage of providing funding to charitable causes supported by our colleagues.

The Group donates £50,000 a year to the EPCT to supplement the annual spend of the Trust to support colleague charitable giving.

Colleague charitable support focuses on three key areas:

- Employee volunteering – We work with a provider called Employee Volunteering (EV) to help organise team volunteering days supporting our wider ESG plans. This could range from a day supporting a local environmental project to a day volunteering at a local community school. Local office charity coordinators within Evelyn Partners help deliver team volunteering events and ensure that the nature of the activities align with our Corporate Responsibility ambitions
- Give-As-You-Earn (GAYE) – during the year, we reminded colleagues that they could opt to donate to charities through the GAYE payroll giving scheme. Regular donations in this way gives charities a reliable income stream. We continue to match every employee donation with up to £20 per colleague, per month
- Matched fundraising – we continue to match our employees' fundraising efforts. This year our employer matched fundraising contribution was increased from £250 to £500 for an individual and from £1,000 to £2,500 for each team fundraising event. Additional matched funds are available for local office and national Evelyn Partners events through a donation from the EPCT.

In the run up to Christmas, we supported Family Action's annual Christmas Toy Appeal, which provides disadvantaged children with a Christmas gift. A number of our UK offices participated and donated wrapped presents from a wish list.

Through our colleague charitable giving donations, Evelyn Partners contributed £52,800 of payroll giving, with £26,695 of matched funding and £160,000 of fundraising efforts with £64,000 of matched funding to charities during the year.

Volunteering communication

We introduced a dedicated Charity and Community intranet page to share information about volunteering opportunities, from both Impetus and EV, and made available policies, guidelines and application forms, to simplify both volunteering and charitable giving.

We also introduced quarterly newsletters to communicate opportunities, both with Impetus and with EV and with other programmes we support as detailed below, and to highlight team and individual volunteering actions.

There is regular internal communication highlighting conversations and events throughout the year.

Volunteering activities

During the year, volunteer representatives from across our offices supported Evelyn Partners volunteering activities. Volunteer representatives served to identify local charitable opportunities, coordinated team volunteering events and encouraged involvement of colleagues throughout the organisation.

In 2022 the Group introduced a new volunteering policy to allow all colleagues to take two paid volunteering days per annum.

Some of the local office events organised for 2022 included:

- The Bracknell office team worked with Employee Volunteering to visit Dimensions Woodmere, a local residential community care residence, where colleagues spent the day transforming the outside space, making it a welcoming for residents and visitors alike
- Colleagues from Belfast spent a day with Waterways, a charitable social enterprise just outside Belfast, developing waterways as catalysts for social and economic regeneration. Tasks included general landscaping and maintenance duties
- Colleagues in London spent the day clearing and renovating Three Corners Adventure Play, a playground installed to encourage children from disadvantaged backgrounds to play outside
- Colleagues at the Chelmsford office spent the day at Farleigh Hospice, a charity providing hospice care to people affected by life limiting illnesses across mid Essex. The team were tasked with tidying up a large car park in preparation for an upcoming fundraising cycle event
- Colleagues in London spent the day at Edward Alsop House, cooking a festive dinner for homeless people and decorating for Christmas
- Colleagues in Liverpool spent the day at Barnstondale, an inclusive outdoor education and activity centre, planting trees to support conservation efforts.

Participation in other support programmes

As part of our inclusion and diversity strategy, our Financial Services and Professional Services teams also participate in several programmes which support the under-represented and under-privileged groups in society. These include:

- the 'Girls Network', where some of our colleagues dedicate their time to mentoring young women
- 'She Can Be' by hosting workshops and events to help young women see the city as a viable career option
- we became sponsors of GAIN (Girls Are Investors), a programme which helps young women get into the investment management industry through education and internships.

Anti-bribery policy

Evelyn Partners values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of the Group's people as well as others acting on the firm's behalf are key to maintaining these standards. The Group does not tolerate bribery or corruption in any form.

The firm prohibits the offering, giving, solicitation or the acceptance of any bribe or corrupt inducement, whether in cash or in any other form:

- to or from any person or company wherever located, whether a public official or public body, or a private person or company
- by any individual employee, director, agent, consultant, contractor or other person or body acting on the firm's behalf
- to gain any commercial, contractual, or regulatory advantage for the firm in any way which is unethical or to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected to the individual.

Our policies cover reporting requirements, restrictions on gifts and hospitality and facilitation payments, our approach to politically exposed persons, information security, our procurement approach and charitable gifts and donations.

The Group investigates thoroughly any actual or suspected breach of our anti-bribery policies.

Modern slavery and human trafficking

We are committed to ensuring our business and supply chain are free from any slavery or human trafficking. Due to the nature of our operations, the group is at low risk of exposure to these issues and our supply chain is predominately comprised of UK based entities and/or providers who may also be regulated.

Our procurement policy has modern slavery assessments integrated into our procedures. In our tender process, we require confirmation from potential suppliers that they have complied with the Act and evidential proof of their policy or statement. Our ESG questionnaire requires suppliers to confirm they have a modern slavery policy and additionally to provide evidence of their policies for including ESG considerations for procurement and supply chains. Our due diligence process requires verification that suppliers have policies in place regarding the fair treatment and pay, adequate whistleblowing procedures and that those employed in the provision of services have the necessary documentation to legally work in the UK.

Annual due diligence takes place for our material outsourcing arrangements and this requires confirmations that suppliers have taken steps to ensure that their supply chain is free from any modern slavery.

As regards Responsible Investments, modern slavery and human trafficking, the Group provide investment services across the whole spectrum of clients. All monitored stocks and third-party funds are assessed by their respective analysts to identify the material ESG impacts across industry sectors (positive and negative), including modern slavery risks. We are also a member of the collaborative engagement group *Find It, Fix It, Prevent It*, an investor-led project to increase the effectiveness of corporate efforts against modern slavery in UK companies and their supply chains. Originally set to focus on the hospitality industry, this is currently being extended to the construction industry. These two sectors are the most vulnerable to modern slavery.

Whistleblowing policy

The whistleblowing policy sets out how colleagues may report any wrongdoings, malpractice, inappropriate behaviour or any concerns or situations they experience, about which they feel uncomfortable.

The policy provides that colleagues who act in good faith have a right not to be victimised, subjected to detriment or dismissed for raising concerns. Concerns can be reported to line managers, or to the compliance team and may be raised verbally or in writing and anonymously. In exceptional circumstances, the incident may be raised with the Group's Whistleblowing Champion, Carla Stent, or with the Regulators directly. All concerns raised are fully investigated in line with the internal Whistleblowing Investigation Procedure.

The Group provides access to an independent Whistleblowing Advice Line available to any colleague seeking independent and confidential advice at any stage of the process.

Procurement policy and supplier code of conduct

The Group's procurement policy contains the Supplier Code of Conduct. It is our aim that our suppliers incorporate ESG within their processes and policies, but we recognise that organisations, depending on their corporate structure, size, location and industry sector, will be at various stages of transitioning ESG within their businesses. The Supplier Code of Conduct sets out our expectations for development of their ESG Strategy, the requirement for compliance with the Modern Slavery Act (2015) and awareness of human rights issues, compliance with the Equality Act (2010), elimination of all forms of discrimination, controls to protect against fraud and corruption and a requirement to have a whistleblowing policy in place with a clear escalation process. There is also a requirement for safeguards and security of systems and data protection.

Compliance with our ESG requirements form part of our Standard Terms and Conditions and ESG is now being reviewed as part of the on-boarding process and periodically thereafter.

Tax strategy

The Group's Tax strategy has been made publicly available on our website at evelyn.com, in accordance with the Finance Act 2016. Both the Risk and Audit Committee and the Board have reviewed and approved the strategy. The strategy sets out the Group's governance in relation to tax compliance, tax risk management, approach to arranging our tax affairs, and our relationship with the tax authorities. The Group's tax risk appetite is low.

Looking forward

We look forward to working with and supporting Impetus in the years ahead. We will encourage our colleagues and stakeholders to take up opportunities to volunteer by undertaking pro bono work and attending or running knowledge sharing events and will encourage take-up of the two volunteering days per annum available to all colleagues.

Activities planned for the coming year are as follows:

- We will donate £100,000 as pledged to Impetus in 2023 and continue to support the charity
- We will also continue to support local and national charities both financially and by participating in 'Employee Volunteering' events. To encourage engagement, we will make a £50 contribution per employee per day
- We will match donations to local charities up to £500 per individual and up to £2,500 per team event
- We will continue to match donations through the payroll GAYE scheme up to £20 per employee per month
- We will continue to support EPCT with an annual donation of £50,000.

Climate-Related Financial Disclosures

Our purpose is *'to place the power of good advice into more hands'*. It is at the heart of everything we do.

The long-term threat of climate change is continuing to accelerate the importance of our corporate responsibility on climate. We recognise that what we do matters and impacts our stakeholders, our communities, and our world. We seek to reduce the environmental footprint of our operational business as part of our wider corporate responsibility agenda and have set ourselves a target to achieve Net Zero on our corporate operational footprint, as soon as possible.

As wealth managers, investment managers and professional service providers, we are responsible both for the stewardship of our clients' capital and for ensuring that our financial advisory services are of the highest standard and enable our clients to build sustainable values and futures.

As responsible investors, we are embedding ESG in our investment processes. As business advisors, we seek to lead and advise our clients on their journeys to enhancing their sustainability and developing their ESG agenda.

We are supporters of the TCFD reporting framework and its recommendations. We embrace transparent reporting so that our stakeholders can measure our progress on reducing our environmental impact and have made available our Climate-Related Financial Disclosures and completed the CDP climate questionnaire.

Governance

The Board recognises the importance of good corporate governance and works to ensure that the Group's governance arrangements are robust, adaptable and able to deliver a well-run business which has its clients at its heart. The Group recognises its responsibilities towards shareholders, other business stakeholders and the wider markets and the society in which it operates.

The Board has a commitment to develop and promote the purpose of the Group and ensure that its values, strategy and culture align with that purpose. It has developed a strategy and business model to generate long-term sustainable value for its shareholders and other stakeholders (see page 75).

At Evelyn Partners, risk management arrangements form part of a strong governance culture. This culture is built upon the Three Lines of Defence governance model under which primary responsibility for identifying and controlling risks rests with the Group's businesses (the first line of defence). Ultimate responsibility for ensuring the adequacy and effectiveness of risk management rests with the Board, with oversight provided by the Board's Risk and Audit Committee (see pages 27 to 34 for details of our risk management processes).

Key personnel and committees

The Board has overall responsibility for the business strategy, which includes establishing and achieving the Corporate Responsibility strategy and objectives.

Chris Grigg, as Chair of the Board ESG Committee, has responsibility for Board oversight of corporate social responsibility and Chris Woodhouse, Group Chief Executive Officer, is the Executive with ultimate responsibility for corporate social responsibility. Further details regarding governance can be found on page 38.

An ESG meeting is held by the GEC each month where the progress made is discussed and activities are reviewed, including environmental and climate-related activities.

The ESG activities are divided into four pillars: Environment, Responsible Investment, People and Charities and Communities. Each pillar is headed by a GEC member. The GEC Chair and the four pillars report to the Board on a quarterly basis to present progress against objectives and to consider its recommendations. For further details please see page 38.

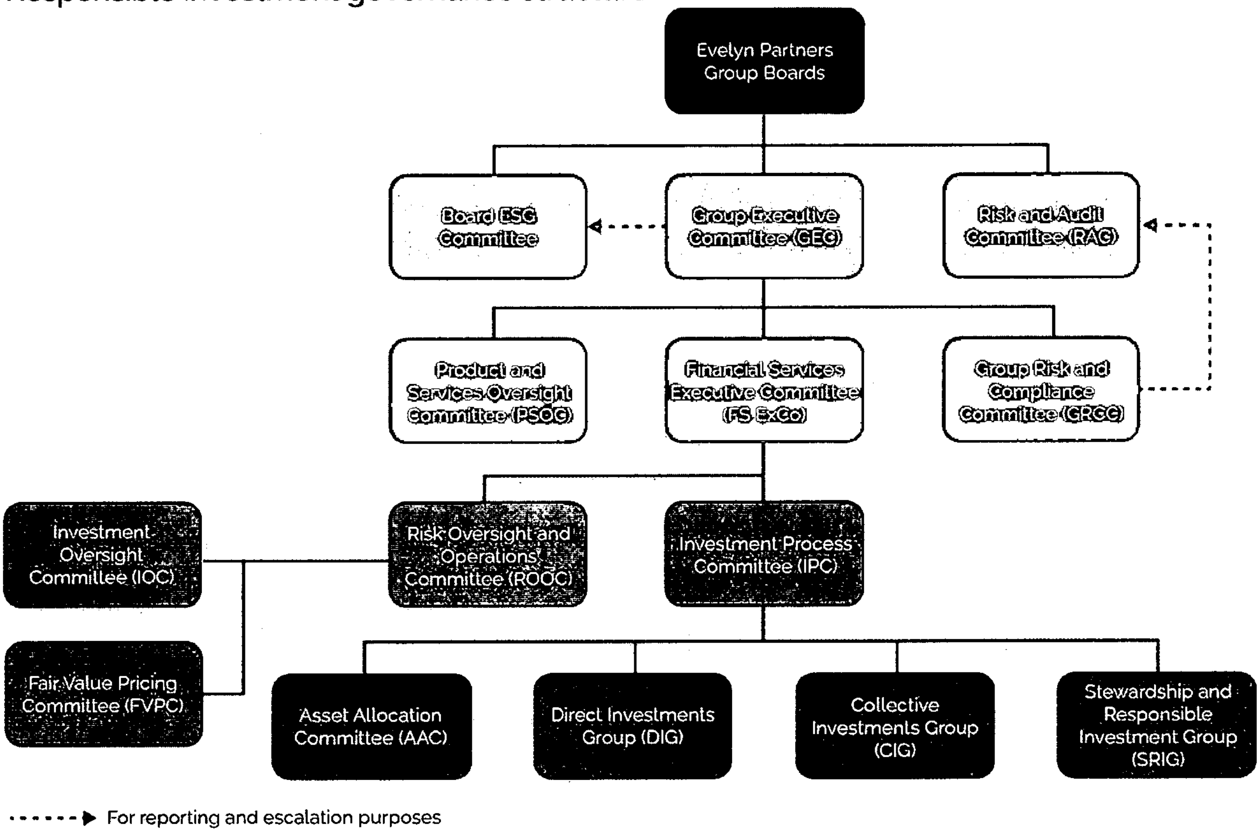
The Environment pillar is led by Andrew Baddeley, Group Chief Financial Officer (CFO) and a Board member.

Responsible investment structure

John Erskine, the Chief Investment Management Director, leads the Responsible Investment pillar, and reports to the Board on progress against the Responsible Investment strategy on a quarterly basis. The Board has delegated authority, via other Committees, to the Investment Process Committee (IPC) to manage and develop the investment process, including investment risk. The IPC has appointed the Stewardship and Responsible Investment Group (SRIG) to oversee the Group's approach to responsible investment. This includes the data, research and tools required to integrate climate change into our investment decisions.

SRIG reports to the IPC monthly on the activities being undertaken, and the IPC reports on these monthly to the Financial Services Executive Committee (FS ExCo). John Erskine provides updates to the GEC on a monthly basis regarding responsible investment activities and progress.

Responsible investment governance structure



This is an extract of the Group Boards and Committees structure to show Responsible Investment Governance

Risk management

The Board Risk and Audit Committee (RAC) has delegated oversight of Risk and Compliance and is supported by the Group Risk and Compliance Committee (GRCC), chaired by Andrew Baddeley, the Group CFO. Group Internal Audit have responsibility for reporting, internal assurance and controls.

The RAC monitors the risk management framework to ensure that adequate systems and controls are in place and that the businesses operate in accordance with all relevant legal and regulatory requirements. It also ensures the management of key risks against appetite group-wide and reports on deviations and material issues across the Group.

The GRCC plays an important role in supporting the Group Executive Committee (GEC), in identifying and understanding ESG and climate risks and opportunities, and in formulating management actions to monitor and mitigate any identified risks. The GRCC is informed of the activities of the GEC as several of its members sit on both Committees, including the GRCC Chair and the Group Chief Risk Officer (CRO). As a key risk, ESG risk including climate risk, is discussed at each GRCC meeting.

We recognise how important sustainability and the need to work towards Net Zero on our corporate emissions is for our business, our colleagues and clients, our communities and other stakeholders. It is on the radar for the Board, the GEC, RAC and supporting Committees throughout the organisation.

Our strategy

We are deeply committed to managing our business in a sustainable way to minimise our impact on the environment. Our environmental considerations include waste (paper, recycling, plastics), food, water, biodiversity and deforestation, energy efficiency and carbon emissions.

We are working towards reducing our corporate organisational carbon footprint to meet the group strategy of achieving operational Net Zero, as soon as possible. To track and communicate our progress, we completed our first CDP Climate questionnaire this year.

The main risks identified and related to climate change are:

Risk type	Climate-related risk	Potential financial impact
Physical risk	Acute Increased severity of extreme weather events such as extreme storms and flooding. National infrastructure (electricity, internet) may affect the ability of the Group to run the business. Chronic Extreme variability of weather patterns and reduced predictability of weather leading to unplanned short-term outages and disruption. Rising mean temperatures and rising sea levels. Energy and water security.	• Increased capital costs to our buildings (e.g., damage to facilities), potentially leading to a change in location strategy • Write-offs and early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations) • Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations • Reduced revenue and higher costs because of negative impacts on workforce (e.g., health, safety, absenteeism) • Increased risks to our digital products and services and additional cost of investment in digital channels, platforms and storage • Extreme weather, rising temperatures and sea levels may affect our colleagues, and our third-party suppliers and may lead to disruption of supplies at additional costs and loss of business. It may also affect our location strategy and ability to provide services • Increased costs of fuel and water • Potential for conflict which impacts geographical security affecting global markets • Potential for chronic weather impacting our customers and their service requirements • Climate-related issues may impact investment values and investment outcomes.
Transitional risk	Policy and legal Enhanced emissions reporting obligations. Failure to keep up to date with changing requirements from multiple and overlapping regulators both in the investment and wealth management arena and in the business advisory services sector.	• Increased operating costs due to higher cost of compliance including costs of dedicated specialist ESG colleagues and dedicated Responsible Investment colleagues to ensure we stay ahead of changing regulatory and best-practice requirements from multiple and overlapping regulators and consultancy costs • Non-compliance with regulatory requirements may lead to regulatory censure, financial and reputational impact leading to loss of clients and revenues • Potential costs of fines and penalties.
	Technology Costs of investing or adapting digital technology, particularly investment in the custody and investment systems to provide the building blocks for Responsible Investment to be embedded within our investment processes and policies. Increased requirement to recycle outdated technology. Risk of underestimating the costs and resources of the technology and its implementation.	• Additional costs of technology, both capital and operational costs, including new technologies • There may be a requirement to recycle equipment or even repair rather than dispose of assets and this may increase technology costs • Under (or over) estimation of costs that may therefore not be adequately captured in financial planning.

Risk type	Climate-related risk	Potential financial impact
	Market Changing client awareness and behaviours. Information overload of clients with the number of variables they are required to specify, particularly for Financial Services clients.	• Failure to capture clients' expectations and choices leading to loss in revenues • Failure to adapt the investment process to adequately reflect client ESG and climate requirements may lead to poorer client outcomes • Loss of market share if do not adapt to change quickly enough and meet market expectations.
	Reputation Changes in consumer preferences. Increased stakeholder concern or negative stakeholder feedback.	• Potential loss of new and existing clients if our ESG credentials impact the reputation of the Group, particularly risk the loss of the younger demographic • Loss of revenues from Financial Services and Professional Services business or loss of margins • Negative impacts on workforce management and planning (e.g. employee attraction and retention).

The main opportunities identified and related to climate change are:

Opportunity type	Climate-related opportunity	Potential financial impact
Resource efficiency	Reduced water usage and consumption. Relocation to more efficient buildings. Reduced paper and storage requirements.	• Reduced operating costs (e.g. through efficiency gains) • Benefits to workforce of working in more efficient building • Better workforce planning leading to greater employee satisfaction.
Energy source	Use of lower emission sources of energy. Use of newer digital technologies. Use of more energy efficient offices.	• Reduced exposure to future increase in costs of fossil-fuelled energy • Reduced exposure to GHG emissions and therefore less sensitivity to potential carbon taxes • Reputational benefits of being more environmentally friendly • Opportunity to gain competitive advantage as invest in newer technologies • Greater availability of capital from investors for companies working to reduce climate impact and who recognise their corporate responsibility.
Products and services	Expansion of sustainable investment services and products. Potential to attract new clients with the introduction of new products and services. Opportunity to offer new Professional Services to support clients through their journeys to Net Zero climate emissions.	• Increase in revenue through expansion of product and services • Potential to increase market share and offer a niche product or service • Availability of training and development opportunities for colleagues and creation of new roles. This may increase engagement and retention of workforce.
Markets	More frequent engagements with our investment and financial planning clients as we assess their ESG preferences. This may further strengthen our client relationships. The availability of further sustainable products and services in Financial Services, Professional Services and Fund Solutions. Opportunity to raise profile of our brand.	• Increased communication may lead to greater awareness of our diverse range of products in the wealth management and in financial planning sector • Increased diversification of financial assets thereby reducing the long-term risk.
Resilience	Adoption of energy efficient measures. Resource substitutes/diversification.	• Increased market valuation through resilience planning (e.g., technology, land, buildings) • Increased reliability of supply chain and ability to operate under various conditions • Increased revenue through new products and services related to ensuring resiliency • The availability sustainable products and services should positively influence the attraction and retention of colleagues • Increased availability of capital resources to the business.

Physical risk

In selecting new offices, environmentally sustainable features are important considerations. Our new premises in London, Birmingham, Belfast and Glasgow are each BREEAM-rated "Excellent". See 'sustainable building' pages 40 to 41.

The geographical spread of our offices, colleagues and customer base limits the physical risk.

We have invested heavily in our digital channels and integrated platforms and have created an integrated financial services platform. This provides us with a front-to-back solution including reporting, execution, settlement and in-house custody and will enable development of ESG solutions for the assets under management (AUM).

We have invested in digital technology to support 'Smart Working' to allow our colleagues to work from home and increased investment in digital storage facilities thereby mitigating risk.

ESG, including climate, is embedded within our Responsible Investment strategy to reduce risk and maximise opportunities related to our investments. Details of our Responsible Investment strategy and how this reduces our risk are discussed in the Corporate Responsibility Report on pages 45 to 47.

The Group is a member of two collaborative engagement platforms: The Investor Forum and Climate Action 100+. Through collaborative engagement with other investors, the Group can influence and address various ESG topics, including climate and wider themes.

Where we procure energy directly, we aim to ensure that all energy is from renewable sources supported by Renewable Energy Guarantees of Origin (REGO). In 2022, 61% of our energy was from renewable sources and 83% of our directly procured energy.

Transition risk

Policy and legal

The GEC is supported by colleagues with responsibility for keeping abreast of developments related to climate and ESG.

During the year, we introduced an ESG policy, an environmental management framework (EMF) and an environment policy. The environment policy supports the EMF and provides detailed guidance on our approach to the environment and climate issues. The policy deals with energy, waste and recycling, water efficiency, biodiversity and security, sustainable buildings and property moves and sustainable fitouts. It also expands on our approach for our value chain. These will be reviewed annually.

As part of our ESG integration roll out, we continue to provide ESG updates to investment managers, sector specialists and research analysts, as well as the Board and the GEC.

SRIG and SRI, supported by Sector specialists, are fundamental for fulfilling our duty as responsible investors to ensure that ESG objectives are given due consideration. For further details see page 46.

Technology

The investment in investment management, custody and settlement technology system over the last two years and the integration of the 'legacy' portfolios following the merger will allow us to further embed ESG within the responsible investment process and ensure client sustainability preferences are fully integrated within portfolios in the years to come.

We use third-party research tools and databases to provide our investment managers with core ESG data and tools to assist in measuring ESG factors and sustainability risks for the investments we manage for our clients. The tools will aid us to measure and manage the ESG risks related to our discretionary AUM managed on behalf of clients. Whilst ESG data is not currently available for all investments, coverage should increase annually. These tools will also allow us to meet EU SFDR and UK TCFD regulatory reporting requirements in the years ahead.

Our third-party research tools allow us to map investments and portfolios against the 17 sustainable development goals (SDGs) and provide useful analysis regarding the rating for each element of ESG.

Market

We offer clients a bespoke ESG discretionary service. Portfolios are tailored according to individual client preferences, including screening ESG attributes. We are also able to provide clients with the carbon footprint of their portfolios, upon request.

We offer a Sustainable Managed Portfolio Service and the Evelyn Active Portfolios (EAP) range as detailed on pages 46 to 47. The Sustainable EAP fund is classified as an Article 8 product under the EU Securities Finance Disclosure Regulation (SFDR).

Evelyn Partners was awarded 'ESG Initiative of the Year' and 'International Discretionary Fund Manager of the Year' at the International Adviser Awards 2022.

We aim to improve the knowledge base of our clients, through the production and communication of responsible investing articles and thought leadership pieces, as well as regular conferences and webinars.

Reputation

As signatories to the UN PRI and supporters of the UK Stewardship Code 2020, we have incorporated ESG factors alongside traditional financial metrics into our responsible investment processes. Both require regular and transparent reporting and will help reduce reputational risk.

We are working towards operational Net Zero and will further develop our environment strategy, risk management and metrics and targets as we further align with the TCFD and work towards reducing our environmental impact. We will be submitting our second CDP climate questionnaire in 2023.

Scenario analysis

It is important that we are aware of the climate impacts associated with our corporate operations and that consideration of ESG, including carbon-emissions and climate, is embedded within our corporate operations and investment processes.

The risk from transitional developments, which was explored in the ESG Scenario Analysis carried out in 2021 and refreshed in 2022, is considered valid and appropriate.

Two scenarios were considered that centred on the failure to accurately deliver regulatory requirements:

- a failure in trust and tools of the Group to correctly monitor and manage a client's portfolio in line with their ESG requirements. This could lead to litigation and a single issue at the Financial Ombudsman Service (FOS)
- a stressed version of scenario 1 where the Group is assessed as being in breach of all three themes: transparency, trust and tools, with a systemic failure of ESG requirements resulting in an FCA fine due to the failings.

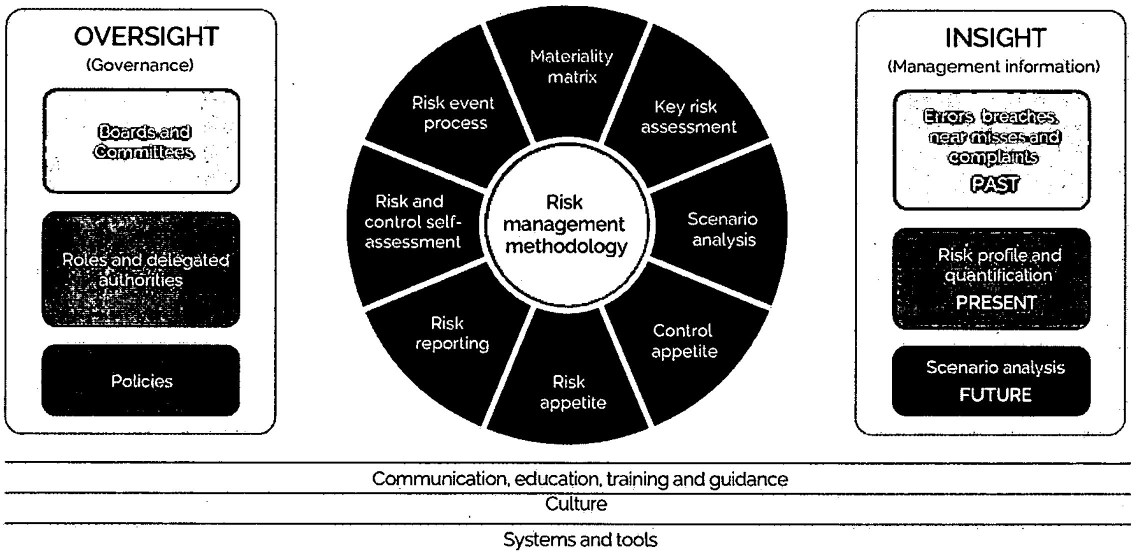
A further scenario was considered based upon a significant change in climate (a 2-4% rise in temperature leading to a market drop of 40%); this is a Bank of England stress testing scenario.

We plan to further enhance our stress testing to assess climate-related risks to the business over the coming years.

Risk management framework

Our risk management framework sets the oversight regulation and supports our Corporate Responsibility strategy. The chart below shows how we identify, assess, monitor and mitigate risks. The principal risks, the risk management framework and methodology are detailed on pages 27 to 34.

Risk management framework



The Board are ultimately responsible for ensuring that adequate systems and controls are in place and that the Group operates in accordance with all relevant legal and regulatory requirements. The Group Boards have delegated risk management to the GRCC with oversight by the RAC.

GRCC recommends the risk management policy and framework to the RAC. It reviews and recommends the Group's key risks, associated scenario analyses, risk appetite and key risk indicators to the RAC.

The Group Risk team maintain detailed risk registers, including climate-risk scenarios and the impact of both physical and transition risk, over different time frames. Every Committee is responsible for identifying the risks relating of their business area and for escalating those risks through the governance structure of the Group.

Investment and ESG risks

Our policies and controls are designed to reduce risk and are regularly reviewed.

Our central investment strategy identifies short (0-1 year), medium (1-5 years) and long-term risks (5-10 years), including those risks posed by structural trends, such as climate change, amongst other risk factors. This informs the asset allocation process and top-down sectoral recommendations to investment managers.

From a bottom-up perspective, our analysts identify the top 3-5 material ESG impacts for each sector and use this to evaluate the short, medium, and long-term impact of ESG factors on performance. Sector specialists categorise collectives into three categories: Green Tick funds, Responsible/Sustainable funds, and all other funds.

We use third-party research tools and databases to provide our investment managers with core ESG data to assist in measuring ESG factors and sustainability risks. These tools allow investments to be mapped to the 17 Sustainable Development Goals (SDGs), the Principal Adverse Impacts (PAI) and for key indicators to be identified such as Scope 1, 2 and 3 emissions (when available) measured in line with the Greenhouse Gas protocol. They provide useful analysis regarding the rating for each element of the environmental, social or governance rating.

Our approach to voting is based on the expertise and experience of sector specialists and investment managers, which allows more nuanced judgements than the rules-based approach provided by proxy voting advisers. We also use proxy voting advisers.

Learning and development around ESG continues to be a key priority for the Group. Financial Services colleagues and members of the Board and senior executives receive ongoing training on stewardship and responsible investment.

We aim to improve the knowledge base of our clients, through the production and communication of responsible investing articles and thought leadership pieces, as well as regular conferences and webinars.

Metrics and targets

As a UK incorporated, large organisation, Evelyn Partners is required to report its UK energy and Greenhouse Gas (GHG) emissions information. We have used the main requirements of the Greenhouse Gas Protocol to calculate our emissions. We have reported on all the emission sources required under the regulations.

Scope 1, Scope 2 and Scope 3, excluding financed emissions

The table below summaries the energy consumption and global greenhouse gas (GHG) emissions for the Evelyn Partners Group for the year ended 31 December 2022, measured in metric tonnes of carbon dioxide equivalent (tCO2e), with comparatives for the prior year.

Scope	Description	Emissions tCO2e 2022	Emissions tCO_2e 2021
Scope 1	Direct emissions from the combustion of gas & fuel	393.8	286.9
Scope 2	Indirect emissions from the purchase of gas & electricity (location based)	1,033.1	1,225.0
Scope 3	Total Scope 3 emissions, excluding financed emissions	42,613.6	43,695.3
Total emissions, excluding financed emissions		**44,040.5**	45,207.2

Our Scope 3 emissions are further analysed as follows:

Scope 3 Category	Description	Emissions tCO2e 2022	Emissions tCO_2e 2021
1	Purchased goods and services	35,474.5	31,880.9
2	Capital goods	2,690.0	8,155.0
3	Fuel and energy related activities	428.2	504.7
4	Upstream transportation and distribution	188.0	221.0
5	Waste generation in operations	58.3	43.9
6	Business travel	1,021.5	303.8
7	Employee commuting (and homeworking)	2,753.0	2,542.0
8	Upstream leased assets	-	44.0
Total Scope 3 emissions, excluding financed emissions		**42,613.6**	43,695.3

Scope 3 category 13 is captured within Scope 3 category 1-8 emissions. All other Scope 3 categories 9 to 14 are not applicable to our operations as we are service providers.

Further details regarding our Scope 1, Scope 2 and Scope 3 emissions can be found on pages 41 to 42.

Assets under management (AUM) and financed emissions

As at 31 December 2022, AUM was represented as follows:

Assets under management (AUM) As at 31 December 2022	£'billion	Number of Portfolios
Discretionary AUM	40.0	93,468
Non-discretionary AUM	13.0	113,605
Total AUM	53.0	207,073

We measured emissions arising from the substantial majority of our clients' discretionary portfolios as at 31 December 2022. In line with the TCFD recommendations, we have provided measures relating to the discretionary portfolios of £40.0bn covering 93,468 portfolios which are within the scope of the TCFD.

The following table shows three key metrics related to those underlying assets, where data is available, combined with the percentage that this represents of the overall portfolios (Coverage).

Note	Headline metrics	Measurement Unit	31 December 2022	Coverage*
1	Scope 1 and 2 emissions	TCO2e	1,360,570	62.49%
2	WACI	TCO2e/M USD Sales	93.14	63.76%
3	Carbon footprint	TCO2e/M USD Invested	28.20	62.49%

Note 1: Our Scope 1 and 2 emissions are computed by apportioning the total emissions of the direct securities and collective instruments in which we invest based on the size of our holdings as a proportion of the most recently available enterprise value including cash (EVIC) as at 31 December 2022.

Note 2: Weighted Average Carbon Intensity (WACI) is calculated by taking the Scope 1 and 2 emissions apportioned to our investment portfolio as explained in Note 1, expressed as a proportion of the sales revenue of the underlying investments (in USD millions). WACI gives the carbon intensity of businesses rather than their total carbon emissions, thereby enabling comparisons.

Note 3: The Carbon footprint is calculated by taking the Scope 1 and 2 emissions apportioned to our investment portfolio as explained in Note 1, expressed as a proportion of the relevant enterprise value of each component of the portfolio. The Carbon footprint measures the emissions generated for each million dollars invested.

We have combined our holdings data with the data collected and calculated by our third-party independent provider to compute the metrics above in our proprietary tool.

Looking forward

As we work towards further alignment with the requirements of the TCFD and improve our understanding of our environmental impact throughout the value chain and reduce our emissions, we will:

- Seek to identify all climate-related revenues, costs, assets and liabilities to fully embed climate within financial planning
- Quantify the financial impact of climate-related risks and opportunities through development of the climate scenario analysis
- Establish key risk indicators, thresholds and KPIs
- Continue to select sustainable offices and sustainable fit-out of offices for office moves, where feasible
- Regularly monitor the environment impact of each office
- Complete the Energy Savings Opportunity Scheme (ESOS) Assessment in 2023
- Aim to increase our renewable energy and reduce our energy consumption and work with our landlords to encourage investment in lower consumption equipment and a switch to renewable energy sources
- Develop and roll-out our supplier ESG assessment to a selection of key suppliers and follow-up findings with them as we work towards reduction of Scope 3, category 1 and 2
- Ensure our GHG emissions for 2022 are independently verified and complete the CDP questionnaire in 2023
- Establish a climate strategy with metrics and targets
- Further embed ESG into our Responsible Investment processes, policies, strategy and decision-making
- Continue to work with our data providers to increase the coverage of the Scope 3 category 15 'financed emissions' valuations and report on the FCA TCFD rules in 2023
- Encourage further take up of the CFA ESG exams and other relevant internal and external training related to sustainability and responsible investment, including the CFA's 'Certificate in ESG Investing' and the 'Certificate in Climate', endorsed by the UN PRI
- Continue to share ESG knowledge and host Responsible Investment events
- Continue to keep abreast of the many developments, regulations and guidance relating to Net Zero.

Non-Financial Information Statement

The Group has developed a non-financial information statement reflecting elements of the Non-Financial Reporting requirements contained in section 414CA and 414CB of the Companies Act 2016. The table below is intended to help stakeholders understand our position on non-financial matters. Further information regarding these matters can be found as indicated in the table.

Reporting requirement	Some of our relevant policies	Additional information in this report
Environment	• Responsible Investment policy[1] • Voting policy[1] • SRD II engagement policy[2] • Sustainability disclosures[2] • ESG policy and environment management framework • Environment policy	• Climate-Related Financial Disclosures See pages 56 to 64 • Corporate Responsible Report (CRR) – Environment See pages 40 to 44 • CRR – Responsible Investment See pages 45 to 47
Colleagues	• Group compliance handbook[1] • Health and safety policy[1] • Equality, diversion and inclusion policy[1] • Health and wellbeing policy[1] • Living wage policy[1]	• CRR – People See pages 48 to 51 • Gender mix tables See page 49 • Gender Pay Gap Report (on our website) See page 50
Human rights	• Data protection policy[1] • Dignity at work policy[1]	• Annual statement on modern slavery and human trafficking[2] See page 54
Social impact	• Matched fundraising policy[1] • Give-as-you-earn policy[1] • Volunteering policy[1]	• CRR – Charities and Communities See pages 52 to 55
Anti-bribery and anti-corruption	• Anti-bribery policy[1] • Gifts and entertainment policy[1] • Financial crime manual[1] • Whistleblowing policy[1]	• Anti-bribery policy See page 54
Business model	• Conduct risk framework and policy[1] • Group risk management framework[1] • Procurement policy, including Supplier Code of Conduct[1] • Information security policy[1]	• Our Client Focused Business Model See pages 9 to 10 • Our Core Services See page 11 • Our Market See page 5 • Group tax strategy See page 55
Non-financial KPIs		• Scope 1 - Scope 3 emissions See pages 41 to 43

1. Available to all employees through the Evelyn Partners intranet. Not published externally.
2. Available on our website at evelyn.com and available to employees through the Evelyn Partners intranet.

Approval

Approved by the Board on 3 March 2023 and signed on its behalf by:

Chris Woodhouse
Group Chief Executive Officer

Evelyn Partners Group Limited
Registered Number: 08741768
Registered Office: 45 Gresham Street, London, ECV 7BG

Chair's Introduction

Chris Grigg - Chair

Introduction

On behalf of the Board of Evelyn Partners, I am pleased to present the Corporate Governance Report for the year ended 31 December 2022. This report will provide an insight into our governance approach, a summary of the activities of the Board and its Committees, as well as an insight into the Board's decision-making process.

My fellow Board members and I understand the importance of a robust governance framework to secure the long-term success of the Company. I and my colleagues work closely with Gavin White, the Group Company Secretary, to ensure the Board is discharging its responsibilities in an effective manner.

Compliance with the Wates Corporate Governance Principles 2018

As a large unlisted private company, the Group follows the Wates Corporate Governance Principles (the 'Wates Principles'). This report will explain how we have complied with these principles, details of which can be found in our compliance statement on page 73.

Company culture and our purpose and values

You will be familiar with our purpose and values which have been set out on page 3 of the Strategic Report. We believe the Board plays a crucial role in not only setting the Company's strategy, but also in influencing how our colleagues across the Group relate to our purpose and values.

As we navigate an ever-changing world of hybrid working, the Board understands even more acutely the need to monitor and maintain the Group's positive culture while we continue to adapt to the changing needs of our business and balance those with the needs of our colleagues.

We believe our shared optimism for the future and the relationships we continue to build, coupled with a governance framework that continues to evolve with the business, will ensure the success of the Group for years to come.

Board evaluation

In March 2022, the Board and Committees received the findings from its latest Board evaluation exercise, facilitated by Lintstock.

I am pleased to note that the outcomes were generally positive with high scores received in relation to Board relationships, clarity of strategic decisions and meeting support which reinforces our belief that we are a well-supported strong leadership team.

More importantly perhaps, it has also highlighted areas in which we as a Board could improve. We remain committed to actioning the recommendations and during the year many of these have already been addressed. We will continue to discuss and implement the suggestions during 2023. Further details on the outcomes of the evaluation can be found in the Nominations Committee Report on pages 87 to 88.

Stakeholder engagement

Stakeholder engagement continued to be at the forefront of the Board's priorities in 2022 when it came to making key decisions. In particular, at the annual strategy meeting in July, the impact of Board decisions and the Group's operations on all of our stakeholders were considered in great detail.

Our efforts and outcomes of these discussions can be found in our section 172 statement set out on pages 35 to 37.

Board priorities for 2023

Looking ahead to our priorities for 2023, we will focus on the following:

- Further deep dives into the different areas of the business as we consider how to develop them
- An enhanced focus on digital investment within the Group as we continue to support our digital hybrid brand, Bestinvest, and continue to integrate and modernise our Financial Services businesses
- Exploring ways in which we can enhance employee wellbeing, particularly by exploring how we can improve workplace wealth by assisting our employees in meeting their financial goals.

I look forward to working with my fellow Board members in 2023 and another successful year for Evelyn Partners.

Chris Grigg
Chair

3 March 2023

Board of Directors

Chris Grigg

Non-Executive Chair

Tenure:

1 year 7 months

Key Skills and Experience:

Over 20 years' experience in financial services and real estate

Former roles:

CEO, British Land plc; CEO, Barclays' Commercial Bank; Partner, Goldman Sachs

Chris Woodhouse

Group Chief Executive Officer

Tenure:

5 years 5 months

Key Skills and Experience:

Wide-ranging experience in Chief Executive roles across various industries

Former roles:

CEO, RAC; Senior Management roles at a number of national retail brands

Andrew Baddeley

Group Chief Financial Officer

Tenure:

4 years 6 months

Key Skills and Experience:

Extensive experience in financial services and insurance industries

Former roles:

Group CFO, TP ICAP plc; Group CFO, Brit Insurance; PwC, EY

Carla Stent

Independent Non-Executive Director

Tenure:

2 years 6 months

Key Skills and Experience:

Experienced Executive and Non-Executive Director in financial services sector and other industries as well as the charity sector

Former roles:

COO, Virgin Group; Deputy CFO, Barclays Bank

Keith Jones

Independent Non-Executive Director

Tenure:

2 years 6 months

Key Skills and Experience:

Experienced Executive, Non-Executive Director and senior adviser in financial services

Former roles:

CEO, Aviva Global Investors; Executive Director and Partner, James Capel & Co. and Lazard Brothers & Co.; CEO NPI Asset Management

Kjersti Wiklund

Independent Non-Executive Director

Tenure:

0 years 6 months

Key Skills and Experience:

Wide-ranging technological, operational and business experience across many sectors

Former roles:

Director, Vodafone; Deputy CEO and CTO, Kyivstar; COO, VimpelCom; Executive VP and CTO, Digi Telecommunications

Elizabeth Chambers

Independent Non-Executive Director

Tenure:

2 years 6 months

Key Skills and Experience:

Extensive marketing and Non-Executive experience across the globe and in various industries

Former roles:

CMO, Barclays, Barclaycard; CMO, Freshfields Bruckhaus Deringer LLP; Chief Strategy Product and Marketing Officer, Western Union

David Cobb

Non-Executive Director

Tenure:

2 years 6 months

Key Skills and Experience:

In-depth knowledge of the Company and experience in Investment Management and Banking

Former roles:

Co-CEO, Smith & Williamson Group; CEO, Smith & Williamson LLP, Smith & Williamson Investment Services Limited and Smith & Williamson Financial Services Limited

Peter Deming

Non-Executive Director

Tenure:

2 years 6 months

Key Skills and Experience:

Representing Warburg Pincus' interest. In depth knowledge of financial services industry

Former roles:

Fixed Income Currency and Commodities Advisory Group, Goldman Sachs

Chris Pell

Non-Executive Director

Tenure:

2 years 6 months

Key Skills and Experience:

Representing Permira's interest. Comprehensive knowledge of financial services industry

Former roles:

Corporate Strategy Team, Barclays; Group COO Office, Barclays; LEK Consulting

Philip Muelder

Non-Executive Director

Tenure:

9 years 0 months

Key Skills and Experience:

Representing Permira's interest. Extensive knowledge of Bestinvest and the financial services industry

Former roles:

Non-Executive Director, Tilney Group; Strategy Consultant, Bain & Company

Gavin White

Group Company Secretary

Tenure:

1 year 7 months

Key Skills and Experience:

Extensive governance knowledge within the financial and other industries

Former roles:

Senior Governance Roles, Centrica plc, Santander UK plc, HSBC Holdings plc, Lloyds Banking Group plc and Royal Dutch Shell plc

Group Executive Committee

Chris Woodhouse

Group Chief Executive Officer

Tenure:

5 years 5 months

Chris joined as the Group Chief Executive Officer of Tilney Group in 2017 and was appointed as Group Chief Executive Officer following the merger with Smith & Williamson.

Chris has previously held senior management roles at a number of national retail brands.

Chris is a Fellow of the Institute of Chartered Accountants and a Fellow of the Associate of Corporate Treasurers.

Andrew Baddeley

Group Chief Financial Officer

Tenure:

4 years 6 months

Andrew joined as the Group Chief Financial Officer of Tilney Group in 2018 and was appointed as Group Chief Financial Officer following the merger with Smith & Williamson.

Andrew was previously Group Chief Financial Officer at TP ICAP plc and held senior positions in the insurance industry, as well as spending 10 years with leading firms PwC and EY.

Andrew is a Fellow of the Institute of Chartered Accountants and a Chartered Tax Adviser.

Andrew Wilkes

Chief Professional Services Director

Tenure:

18 years 7 months

Andrew chairs the Professional Services Executive Committee and has overall responsibility across the assurance and business services, tax and advisory teams. Andrew was previously Head of Tax and was appointed as head of the firm's Professional Services business in July 2022.

Andrew is a Chartered Accountant, Chartered Tax Adviser, and a Member of the Chartered Institute for Securities & Investment (CISI).

Bennedetta Peto

Group Chief People Officer

Tenure:

3 years 10 months

Benne has over 10 years' experience in financial services and has held number senior HR positions in her previous roles. Benne has overall responsibility for the 'people' pillar of the firm's corporate responsibility approach.

Benne is a member of the Chartered Institute of Personnel Development (CIPD).

Charley Davies

Group General Counsel

Tenure:

0 years 6 months

Charley is head of the firm's Group legal team.

Charley began her legal career at Clifford Chance and has previously held General Counsel and Company Secretary roles in a number of financial and insurance firms.

John Bunch

Chief Financial Services Director

Tenure:

2 years 6 months

John chairs the Financial Services Executive Committee and has overall responsibility for the firm's Financial Services business.

John has over 30 years' experience in financial services in the US and has previously held a number of COO and CEO roles.

John Erskine

Chief Investment Management Director

Tenure:

15 years 5 months

John has overall responsibility for the investment management business.

John was previously Managing Partner of the Financial Services division following roles as head of the investment management team in the firm's Bristol office and regional head of private clients.

Mayank Prakash

Group Chief Operations Officer

Tenure:

2 years 6 months

Mayank chairs the Change Portfolio Committee and is responsible for overseeing the operational activities of the group.

Mayank has numerous years of invaluable experience in leading transformation, technology, data, security and operations.

Nathan Rodger

Group Strategic Programmes Director

Tenure:

3 years 10 months

Nathan is responsible for the group's business transformation programmes.

Nathan has significant experience in managing change within financial services and wealth management, with over 20 years' experience in delivery of complex and time critical programmes.

Philip Best

Group Chief Risk Officer & Group Head of Compliance

Tenure:

4 years 10 months

Philip is responsible for overseeing the group's risk management and compliance strategy.

Philip has extensive experience in risk management in financial institutions and has previously worked as a consultant to banks on risk and compliance, as well as IT and operations.

Simonetta Rigo

Group Chief Marketing Officer

Tenure:

2 years 3 months

Simonetta is responsible for the Group's marketing strategy.

Simonetta has over 25 years' experience in senior marketing roles across global cross-border payments, banking, wealth management, health insurance and luxury travel industries.

Further details about our Board of Directors and Group Executive Committee Members can be found on our website at www.evelyn.com

Corporate Governance Report

Governance framework

The Group's governance framework has continued its evolution following the merger and rebrand to Evelyn Partners. Board effectiveness is regularly reviewed and is subject to a robust evaluation process. Further improvements to strengthen the governance framework were embedded in 2022 and these continue to develop.

The Board recognises the importance of good corporate governance and works to ensure that the Group's governance arrangements deliver a well-run business which has at its heart its clients, and which recognises its responsibilities not only towards shareholders but also other stakeholders such as colleagues, the wider market and society.

Our approach to governance

As an unquoted company, we are not required to comply with the Financial Reporting Council's (FRC) 2018 UK Corporate Governance Code.

We therefore follow the Wates Corporate Governance Principles (published by the FRC in December 2018), which provide a framework to help large unlisted private companies meet legal requirements while promoting long term success. In 2022, under the Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Principles as the standard against which we measure ourselves.

The Board believes that the Company already complies with best practice and with the spirit of the Wates Principles and has applied them throughout the year. The table in the next section sets out how this has been achieved with an explanation where any principle has not been adopted and why.

The Group's website contains further supporting information on the Wates Principles and Section 172.

Reporting on the application of Wates Principles:

Principles and meaning	How do we engage
1. Purpose and leadership An effective Board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose.	The Board has a commitment to develop and promote the purpose of the Company and ensure that its values, strategy and culture align with that purpose. Risk management arrangements form part of a strong governance culture. The Board has developed a strategy and business model to generate long-term sustainable value. Strategic Report, Our Purpose and Value, page 3 • The Board also believes that a strong culture, based on shared values and sense of purpose, is vital to the success of a business and underpins the way in which we work, connecting both our colleagues and our clients to our higher purpose. Section 172 Statement, pages 35 to 37 • Various decisions have been made by the Board demonstrating its commitment to generating long-term sustainable value for the Company including the merger, enhancing the governance framework and digital transformation • The strategy is clearly articulated and approved by the Board and implemented by management. Corporate Responsibility Report, People, pages 48 to 51 • Following the merger of Tilney and Smith & Williamson, we have developed a culture which is the 'best of both' businesses. We have done this through engagement with our colleagues. Corporate Governance Report, Board activities, pages 78 and 80 • The Board has oversight of the Group's conflicts of interest policy and considers changes to it • The Board approves and monitors performance against the Group's whistleblowing policy.
2. Board composition Effective Board composition requires an effective chair and a balance of backgrounds, experience and knowledge, with	The Board reviews its composition, structure and effectiveness on a regular basis. Corporate Governance Report, Board role and Board activities, pages 76 to 80, Nominations Committee Report, pages 87 to 88.

Principles and meaning	How do we engage
individual directors having sufficient capacity to make a valuable contribution. The size of a Board should be guided by the scale and complexity of the company.	• Board composition, succession planning, induction, training and effectiveness are reviewed by the Board and recommendations are considered by it from the Nominations Committee. The roles of the Chair and the Group Chief Executive Officer are clearly articulated and held by separate individuals • The Nominations Committee, which has oversight of the Board appointment process, reviews the size of the Board and the balance of expertise, diversity and objectivity in recommending appointments to the Board. It also considers succession planning and makes recommendations to the Board • The Board effectiveness evaluation is considered annually. Corporate Responsibility Report: inclusion and diversity on pages 48 to 49 • In the formation of the Board and Executive Committee, the Board has sought to improve gender diversity. In 2022 the Board approved a Board diversity policy which sets out the aspirational targets for gender and ethnic diversity on the Board as well as in senior management. The policy is available on our website. The Inclusion & Diversity Committee is responsible for ensuring the development and delivery of the Group's diversity and inclusion agenda.
3. Director responsibilities The Board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision making and independent challenge.	The Company has a well-established governance framework which supports decision making and independent challenge. Corporate Governance Report, pages 73 to 83 • The Board has a list of matters reserved for its consideration and its Committees' terms of reference clarify their roles within the governance framework. Approval of key risk policies for the Group is considered by the Board and/or its Committees as per their own terms of reference • The governance framework has been refreshed following the merger and its appropriateness is kept under review. Non-Executive Directors provide independent challenge in the decision-making process of the Board and its Committees • Decisions on strategy, risk and control, regulatory and tax, finance and audit, governance, people and operations are considered by the Board and its Committees based on forward agenda planners. These have been developed by the Chair, Group Company Secretary and management to fulfil the requirements within the matters reserved for the Board and the terms of references of its Committees • Internal controls and processes are regularly reviewed and monitored with gaps reported to the Risk and Audit Committee through the second and third lines of defence.
4. Opportunity and risk A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight to identify and mitigate risks.	Strategic opportunities are assessed by the Board against the Company's risk appetite and its long-term strategy and prospects. Strategic Report, Risk Management section, pages 27 to 34 • A risk management framework was adopted for the combined business following the merger. Efforts are underway to enhance its risk management and compliance capabilities to facilitate risk awareness and further enhance the implementation and effectiveness of the framework • The Board approves the risk appetite and has oversight over the performance of the business against the appetite and agreed controls • Assessment of risk appetite is a key consideration when a new opportunity is being reviewed and forms part of the approval process. New products and services pass through the Product and Services Oversight Committee for review. Corporate Governance: The Board's role is on page 77, risk management and internal controls on pages 84 to 86. • The Group operates under the Three Lines of Defence model with reports produced for consideration by the Risk and Audit Committee

Principles and meaning	How do we engage
	• The Board has overall responsibility for the Group's system of internal control with oversight of controls delegated to the Risk and Audit Committee • The Board considers the merits of each acquisition to determine if it would be within the Group's risk appetite, enhances the business prospects and is in the interest of all stakeholders.
5. Remuneration A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.	The Remuneration Committee approved the remuneration policy and structure which is aligned to the Company's long-term sustainable success. Corporate Responsibility Report, Remuneration section on page 51 • The remuneration strategy is reviewed by the Remuneration Committee and is aimed at ensuring that it delivers against our remuneration principles and business objectives. Corporate Governance Report, Remuneration Committee on page 82 • The Remuneration Committee is a Board Committee comprising Non-Executive Directors only. It is responsible for oversight of remuneration and incentive packages for senior colleagues within the Group and the overall remuneration framework for employees including fixed and variable pay reviews.
6. Stakeholder relationships and engagement Directors should foster effective stakeholder relationships aligned to the company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.	The Company is committed to creating and sustaining long-term value for its shareholders and other stakeholders. Section 172 Statement, pages 35 to 37, sets out the interaction and engagement with stakeholders. Strategic Report, pages 1 to 10. The Board: • believes in a strong culture, based on shared values and sense of purpose • oversees client requirements, market practice and trends and the Company's response to it. Corporate Responsibility Report, pages 38 to 65. The Board: • considers how we engage with colleagues in developing culture • considers talent management and development • promotes remuneration policies to attract and retain high performing colleagues • ensures commitment towards promoting diversity and inclusion • receives reports on the client care programme, seeking ethical and sustainable portfolios for clients • has oversight of the anti-bribery policy • has commitment towards ensuring that our business and supply chain are free from any slavery or human trafficking • oversees the Company's investment in local communities • receives ESG reports and ensures that there has been consistent emphasis on the required focus on the topic.

The Board

The Group has structured its governance arrangements such that the members of the Board of Evelyn Partners Group Limited are also directors of the majority of the main UK trading or regulated subsidiaries listed below (which together forms the 'Group Boards'). The Group Boards are supported by a number of Board Committees as explained in the following sections of the report.

The Group Boards and their Board Committees conduct their respective meetings on a concurrent basis.

Due to the size, complexity and scale of our business, some subsidiaries have their own Boards and Committees comprising Executive Directors and in the case of some, Non-Executive Directors as appropriate.

Group Boards

Each Director of Evelyn Partners Group Limited is also a Director of:

- Bestinvest (Consultants) Limited
- Evelyn Partners Asset Management Limited
- Evelyn Partners Corporate Finance Limited
- Evelyn Partners Discretionary Investment Management Limited
- Evelyn Partners Financial Planning Limited
- Evelyn Partners Financial Services Limited
- Evelyn Partners Investment Management Services Limited
- Evelyn Partners Investment Services Limited
- Evelyn Partners Securities
- HFS Milbourne Financial Services Limited
- HW Financial Services Limited
- Index Fund Advisors Limited
- Tilney Asset Management Services Limited
- Tilney Discretionary Portfolio Management Limited.

The Directors are also members of the management Boards of:

- Evelyn Partners LLP
- Evelyn Partners Investment Management LLP.

Board composition

As at the balance sheet date, the Board of the Company consisted of four Independent Non-Executive Directors, a Non-Executive Board Chair, four Group appointed Non-Executive Directors and two Executive Directors.

Will Samuel led the Board effectively as the Chair. He stepped down from the Board on 18 February 2022 having served as Chair since 27 January 2017 and having succeeded in delivering his responsibilities as the Chair.

Chris Grigg succeeded Will Samuel as Chair on 18 February 2022.

The roles of the Chair and the Group Chief Executive Officer are clearly articulated and held by separate individuals. Chris Grigg, as Chair, and Chris Woodhouse, Group Chief Executive Officer, have demonstrated a successful partnership in striking the right balance of power and effective decision-making.

Through the Nominations Committee, we ensure that we have the right composition of individuals on the Board, giving an appropriate balance of knowledge, skills, experience and perspectives. Our aim of ensuring orderly succession for Board positions is supported by continuous and proactive processes. We take into account our strategic priorities and the main trends and factors affecting the sustainability and success of the business. We oversee and regularly review the development of a diverse pipeline for succession.

Changes to Board membership are set out in the Directors' Report on page 89.

Board's role and responsibilities

The role of the Board is to establish a clear strategy for the Group, to determine a risk appetite to support that strategy and to oversee an effective risk control framework. We understand our stakeholders to be:

- Our clients
- Our regulators and the governments of the countries in which we operate
- Our shareholders
- Our colleagues
- Our suppliers and counterparties
- The society and communities in which we operate.

The Board manages the affairs of the Company for the benefit of all stakeholders. This is best achieved by:

- Developing a business model and practices that are designed to maintain and enhance market integrity
- Encouraging a culture whereby long-term relationships are fostered with clients, suppliers and colleagues, who are treated fairly and are content with the service that they receive/provide
- Developing services and products designed for positive client outcomes that are attractive and provide fair treatment for both existing and new clients
- Establishing relevant and supportive relationships with our local communities (see Corporate Responsibility Report on pages 52 to 55)
- Developing practices which promote the interests of clients and mitigate the risk of reputational damage or financial loss in respect of the Group's assets or the assets that it manages or controls on behalf of clients
- Maintaining policies such as those relating to conflicts of interest and tax avoidance
- Developing policies in relation to its colleagues, including diversity and inclusion matters, remuneration and modern slavery that demonstrate that the Group deals fairly with its stakeholders.

The Board has a list of matters that are reserved for its decision, which cover the following areas:

- Strategy and business development
- Risk and control
- Regulatory and tax
- Finance and audit
- Legal and governance
- People
- Operations and IT.

Board activities

The Chair, together with the Group Chief Executive Officer and Group Company Secretary, ensures that the Board has an appropriate schedule of matters for consideration, focused on the core areas listed above. This ensures the future success of the business and that the Company's culture is aligned with its purpose, values and strategy. In 2022, the Board received in-depth presentations on areas of focus and undertook a review of the overall strategy, including developing thoughts about the business priorities and new areas of growth. Meeting papers were distributed in a timely fashion ahead of meetings, allowing Board members sufficient time to read and constructively participate in meetings.

To ensure the most effective use of the time during Board meetings, Board Committees consider certain matters in more detail and make recommendations to the Board. Furthermore, the Chair holds informal preparatory discussions with Board members prior to each Board meeting. During the course of the year, separate sessions are also held with the Independent Non-Executive Directors.

Specialist insight from external advisers is sought when the Board considers certain important topics. The Board ensures regular contact with management and colleagues through several means. These include inviting relevant business and function heads to present to the Board or its Committees, permitting observers as part of individual senior managers' development plans and scheduling regular meetings for Committee Chairs to meet with relevant senior managers.

Throughout the year, Board members continued to have the opportunity to participate in training and development initiatives.

Further details of the Board activities in 2022 are set out in the next section.

Summary of Board activities in 2022

The Board held eight scheduled meetings in 2022, including an annual Board Strategy Day to consider the Group's long-term strategy. Additional meetings are arranged as required and in 2022, the Board met a total of 14 times.

As part of its decision-making process, the Board considers the views of all stakeholders of the Company, whilst acting in the best interests of the Company and its members as a whole. Further detail on how the Board discharges its responsibilities is set out in the Section 172 Statement in the Strategic Report section of this Annual Report. An overview of our Board's activities in the year are below:

Theme	Action taken by the Board
Client outcomes	• Reviewed, challenged and remained apprised of the performance of the business divisions and functions, strategic business opportunities, developments with client experience and the Company's integration programme • Ongoing consideration to continue development of Bestinvest, our online business, into a market-leading digital hybrid platform to support self-directed investors and serve them better • Approved new client money interest rate and counterparty bank risk proposals • Approved the Group's Consumer Duty implementation plan • Approved the appointment of Carla Stent as Consumer Duty Board Champion.
Strategy and business development	Overall strategy review: • Received regular updates from the Group Chief Executive Officer including overall strategy updates • Received regular marketing updates, client segmentation reports and performance of each of the Group's operating divisions • Held the Board Strategy Day on 7 July 2022 at which both management and external advisers supported the review of the existing business strategy by providing market insights complemented by strengths, weaknesses, opportunities and threats (SWOT) analysis undertaken by the Group Executive Committee. Inputs from the review are embedded in management's strategy plans and actions for 2023. Commercial strategies: • Approved a proposal to harmonise pricing and proposition in the Financial Services business • Considered the launch of the digital hybrid strategy in early 2022 • Considered developing leading digital transformation propositions and differentiated services in line with our organic growth. Merger and acquisition activity: • Received regular updates on various initiatives related to the Group's strategic growth plans and supporting initiatives • Received updates on the development of the RIFA acquisitions. Rebranding: • Considered and approved the proposal including investment spend to rebrand the Company • Received regular updates on the rebranding exercise in the lead up to its announcement. Integration: • Following on from the merger in 2020, the Board has oversight of the rollout of the integration plan and how risks arising from the integration are being managed • The programme includes plans to obtain synergies from the merger, technology integration, and develop the purpose, values and culture for the combined business. Progress achieved is set out in the Chief Executive Officer's Review

Theme	Action taken by the Board
	• Regular updates are provided to the Board on progress being made against each initiative.
Risk and compliance	• Considered Financial and Cyber Crime, suitability and integration risks including approval of risk appetite and oversight of programmes to accelerate controls enhancement and regulatory engagement • Over the last year, the Group has continued to focus on consolidating and enhancing its risk management and compliance capabilities to facilitate risk awareness and further enhance the implementation and effectiveness of the risk management framework. The risk management framework is underpinned by policies, procedures and reporting, all of which have been enhanced over the course of the year and will continue to evolve to produce accurate and timely management information to meet the needs of the Group, as it seeks to deliver its strategic objectives • Action was taken where needed if risks fell outside of the Group's risk appetites, which are defined at both the operational resilience and business-as-usual threshold levels, or where the need for remedial action was recognised in respect of any weaknesses identified in relation to mitigating controls.
Regulatory and tax	• Approved the Group tax strategy • Received reports on the Group's compliance with Client Assets Sourcebook (CASS) regulations from the CASS officer, together with his annual attestation.
Finance and audit	• Received regular updates from the Group Chief Financial Officer on financial performance, management accounts, segmental performance, internal controls and regulatory capital requirements • Reviewed the Group's regulatory capital resources and requirements, and approved increase in the capital of the Company • Received regular updates in respect of CASS audits and related matters • Received regular updates on performance against the 2022 budget and five-year business plan • Approved the budget for 2023, and auditor appointment and fees • Approved the Annual Report and Financial Statements 2021 and other year-end related matters. The Board also agreed the going concern and viability statements included within the Annual Report and Financial Statements 2021 • Reviewed, challenged and approved the ICARA, adequacy and effectiveness of stress-testing and capital management • Reviewed and approved the distribution of two interim dividends in the year. The first interim dividend of £17.5 million was distributed and paid to the Company's sole shareholder on 7 July 2022. A second interim dividend of £20.0 million was distributed and paid to the Company's sole shareholder on 21 December 2022. The payment was made from the Company's distributable reserves based on the unaudited balance sheet of the Company. The Company has not declared a final dividend.
Corporate social responsibility	• Received regular updates from the Corporate Responsibility Committee on the corporate social responsibility activities undertaken by the Group, including its stance on environmental social governance, which continues to be an area of increasing importance not only to the Board but society as a whole, see pages 38 to 55 of the Corporate Responsibility Report. After September 2022 executive responsibility ESG passed to the GEC and the Board thereafter received updates from that committee • Agreed to create a Board ESG Committee to further prioritise the Group's aspirations in this area. The inaugural meeting of the Committee will be in March 2023 • Approved the statement on slavery and human trafficking for the financial year ended 31 December 2021 in compliance with the Modern Slavery Act 2015. It is available on the Group's website.

Theme	Action taken by the Board
Legal and governance	• Received updates from the Group General Counsel on legal matters as well as developments in law and from the Company Secretary regarding corporate governance that affects the business and recommended best practices as appropriate. Directors are periodically reminded of their responsibilities both in law and from a regulatory perspective • Received regular updates on revisions to senior management function (SMF) responsibilities, including workshop training on SMF reasonable steps and also approved new SMF appointments as appropriate • Approved restructuring and liquidation of several group entities as part of the legal entity rationalisation programme • Approved the appointment of one new Independent Non-Executive Director • Approved the revised governance model for the Group, resulting in the restructuring of various Board's Committees and the creation of two new Board Committees, being the Board ESG Committee and the Board Digitalisation Forum • The Board has an oversight of the Group policies framework and approved policies which are not delegated elsewhere • Approved any changes to directors' conflicts of interest • In March 2022, the Board received the outcomes of the internal Board evaluation exercise facilitated by Lintstock.
People and culture	• Received regular updates from the Group's Chief People Officer on human resources matters • Considered Succession Planning across all key control and support functions • Kept apprised of employee well-being during integration post-merger • Supported management in its engagement with employees through colleague Pulse • Considered the adequacy of Gender Pay Gap policy and other remuneration policies with oversight from Remuneration Committee • Received regular reports on whistleblowing instances and recommendations from Risk and Oversight Committee • Supported the move to 45 Gresham Street, London providing 'Smart Working' facilities to our colleagues and designed to the highest standards of environmental sustainability • Received regular updates on the new senior management hires.
Operations and IT	• Received regular updates on change portfolio initiatives including update on integration programmes, client advisor and digitisation and custody migration • Received updates in relation to IT and cyber security resilience testing • Following the collapse of SunGard data centres in the UK, approved a proposal to move certain services to the Cloud.

The Board Committees

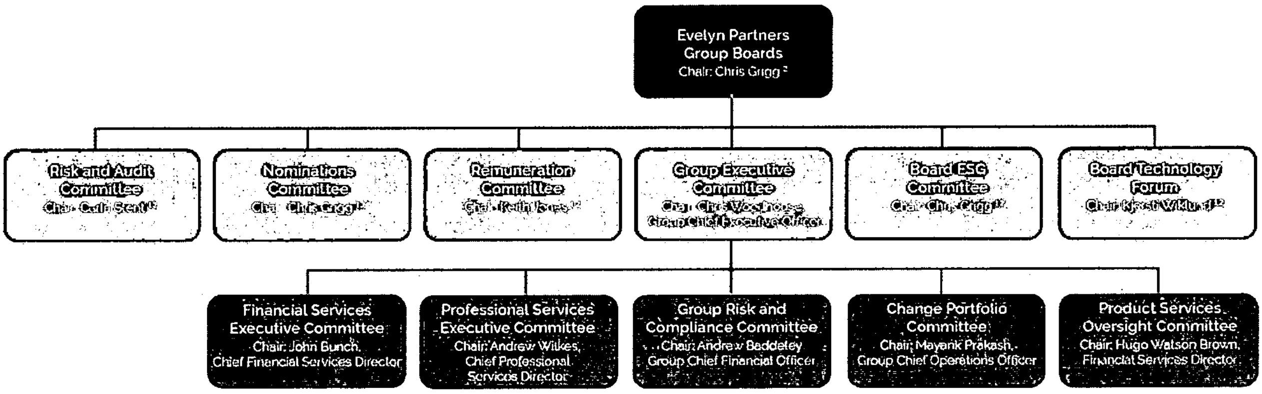
The Board delegates certain responsibilities to Board Committees to help discharge its duties. The Board Committees play an essential role in supporting the Board, giving focused oversight of key areas and aspects of the business. The Board Committees are in turn supported by various executive and management Committees as set out in the diagram below. While the Board retains overall responsibility, a sub-Committee structure allows more time for closer scrutiny by Board Committees prior to any consideration required by the Board.

The role and responsibilities of the Board and Board Committees, including sub-Committees, are set out in formal Terms of Reference to ensure there are clear lines of accountability and responsibility to support effective decision-making across the organisation. These are reviewed at least annually as part of the review of the corporate governance framework.

During the year, the Corporate Responsibility Committee (CRC) was disbanded and replaced with the Board ESG Committee, as part of the firm's continued commitment to its ESG journey. Additionally, a new Board Digitalisation Forum was created, which will focus on the firm's digitalisation progress.

Except for the Group Executive Committee and its sub-Committees, all Committees comprise Non-Executive Directors only. The Board Chair is also the Chair of the Nomination Committee and the Board ESG Committee; all other principal Board Committees, except the Group Executive Committee, are chaired by Non-Executive Directors who have particular skills or interests in the activities of those Committees. The Chairs of each of the Board Committees provide a report to the Board on their activities.

The governance structure encompassing the Board, its principal Board Committees and the sub-Committees is set out in the diagram below.



1. Independent Non-Executive Director (INED).
2. Represents Non-Executive Directors' (NED) participation on the Board and respective Board Committees.

Nomination Committee

Details are set out in the Nominations Committee Report on pages 87 to 88.

Risk and Audit Committee

Details are set out in the Risk and Audit Committee Report on pages 84 to 86.

Remuneration Committee

The Committee comprises Non-Executive Directors and its Chair is an Independent Non-Executive Director. The responsibilities delegated by the Board to the Committee include oversight of remuneration and incentive packages for senior colleagues within the Group. It also ensures that the remuneration policies and practices comply with the appropriate regulatory guidelines and codes of practice and are designed to foster and support the Group's strategy, prudent risk management, culture and behaviours and take into account the long-term interests of all stakeholders. It considers changes to the Group's remuneration policy, any significant widening of the gender pay gap, any proposal to introduce a new equity incentive plan and significant changes to the equity incentive arrangements of Board members. The Committee approves the remuneration and incentive packages for the Executive Directors and the members of the Group Executive Committee. It has oversight of the controls in place to ensure that risk and compliance concerns are reflected in the remuneration of individuals.

ESG Committee

This is a new committee that has been established in the first quarter of 2023 to provide dedicated Board oversight of ESG strategy.

Group Executive Committee and its sub-Committees

The Group Executive Committee, the membership of which is drawn from senior colleagues across the Group, is responsible for managing the business and delivering the execution of our strategy. This Committee is chaired by the Group Chief Executive Officer. It meets weekly to consider ad hoc matters and monthly to consider a more scheduled range of topics.

The Group Executive Committee, in its oversight of the businesses within the Group, has the following executive and management sub-Committees which report into it. These sub-Committees comprise key senior managers and colleagues from various business functions who are responsible for the day-to-day running of the business and other operational and compliance matters and implementing the strategies that the Board has set.

- Group Risk and Compliance Committee: oversees the Group's risk management and compliance requirements
- Product and Services Oversight Committee: oversees the product governance requirements of MiFID II
- Change Portfolio Committee: monitors large change projects across the Group. It provides challenge and oversight of change activity. This includes the prioritisation, planning, execution and governance of in-scope projects and change activity
- Financial Services Executive Committee: provides a unified focus to the Financial Services business. It is responsible for overseeing the overall functioning and governance of the core Financial Services business in order to enhance client outcomes and ongoing business development. This Committee is further supported by several other sub-Committees such as the Risk Operational and Oversight Committee, Investment Process Committee, the Investment Oversight Committee, the Financial Planning Process Committee and the Financial Planning Oversight Committee and various working groups
- Professional Services Executive Committee: oversees the overall functioning and governance of the core Professional Services business to enhance client outcomes and ongoing business development.

Corporate Responsibility

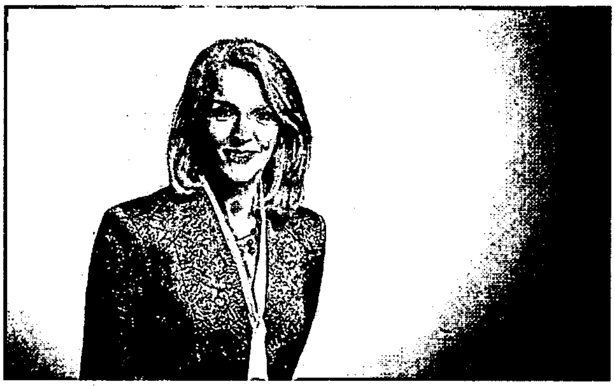
Details are set out in the Corporate Responsibility Report on pages 38 to 65.

Board and Committee membership and attendance record[1]

Position	Member	Group Boards	Risk and Audit Committee	Nominations Committee	Remuneration Committee
Chair	Chris Grigg[2]	14/14	6/7	4/4	10/10
	Will Samuel[3]	3/3	3/3	4/4	3/3
Executive Directors	Andrew Baddeley	14/14	N/A	N/A	N/A
	Chris Woodhouse	14/14	N/A	N/A	N/A
Independent Non-Executive Directors	Elizabeth Chambers	14/14	5/7	4/4	7/10
	Keith Jones[4]	12/14	7/7	4/4	10/10
	Bill McNabb[5]	7/14	N/A	N/A	N/A
	Carla Stent[6]	13/14	7/7	4/4	9/10
	Kjersti Wiklund[7]	5/5	N/A	N/A	N/A
Non-Executive Directors	David Cobb	14/14	N/A	N/A	N/A
	Peter Deming	13/14	7/7	4/4	10/10
	Philip Muelder	11/14	N/A	4/4	6/10
	Christopher Pell	14/14	7/7	4/4	10/10

1. The table shows attendance at the meetings, held during the year, of the Group Boards and those Committees which comprises NEDs. The Board ESG Committee and the Board Digitalisation Forum were formed during the year and will have their respective inaugural meetings in 2023.
2. Chris Grigg is Chair of the Nominations Committee.
3. Will Samuel stepped down from the Board on 18 February 2022.
4. Keith Jones is the Chair of the Remuneration Committee.
5. Bill McNabb stepped down from the Board on 18 November 2022.
6. Carla Stent is the Chair of the Risk and Audit Committee.
7. Kjersti Wiklund was appointed to the Board on 9 September 2022.

Risk and Audit Committee Report



Carla Stent - Chair of the Risk and Audit Committee

The Chair's statement

I am pleased to once again present my report to you as the Chair of the Risk and Audit Committee. 2022 continued to be an eventful time for the Company with the core business continuing to integrate against the backdrop of the war in the Ukraine, market and political volatility and rising inflation and interest rates. Despite these headwinds, it remains an exciting time for the Company as we continue to build on the achievements following the merger.

During 2022, the Committee considered risks relating to the Group's strategy, IT and cloud technology, change management, cyber and data security, fraud management and the digital technology platform upgrades to Bestinvest. We also reviewed the control environment with respect to IT controls, operational resilience, financial crime, cyber, investment suitability, implementation of Russian-related sanctions and change programme processes as well as the assessment of the appropriateness of internal controls and reporting. A significant amount of time was spent overseeing the implementation of the Consumer Duty regulation and the enhancements of associated controls around file standards.

Membership and attendance

Details of Committee membership and their attendance is set out on page 83.

The Group Chief Financial Officer, the Group General Counsel, the Group Chief Risk and Compliance Officer, the Group Finance Director, the Group Chief Operating Officer and the Group Chief Executive Officer were all in attendance at the Committee meetings, as were representatives from the Group's external and internal auditors, who also met with the Committee members before some meetings without management present.

Role and responsibilities of the Committee

The Committee has responsibility for oversight of a number of audit and risk matters, which are set out in its terms of reference and include:

- Review the enterprise-wide risk profile through the Three Lines of Defence governance model
- Provide advice, oversight and challenge to embed and maintain a supportive risk culture
- Review the risk framework and recommend it to the Board for approval
- Review and approve the key risk type and risk activity frameworks identified in the risk framework
- Review and approve the internal capital and risk assessment (ICARA) process
- Review the capability to identify and manage new risks and risk types
- Receive an assessment of the strategic risk
- Receive biannual updates, and ad-hoc updates as appropriate, from the Client Assets Sourcebook (CASS) team
- Oversee and challenge the day-to-day risk management actions and oversight arrangements and adherence to risk frameworks and policies
- Review the integrity of the financial statements of the Company and any formal announcements relating to its financial performance, including significant financial reporting judgements
- Ensure the effectiveness of internal financial controls
- Evaluate the external auditors including their independence and objectivity, as well as agreeing the audit scope and effectiveness of the audit process in respect of the statutory audit of the annual financial statements
- Ensure the effectiveness of the internal audit function
- Review the whistleblowing arrangements
- Receive regular updates from the audit and risk committee of key subsidiaries.

Governance

The Committee is supported by an executive committee called the 'Group Risk and Compliance Committee' which is chaired by Andrew Baddeley, Group Chief Financial Officer and attended by key colleagues from various business functions including risk, compliance and CASS. This executive committee monitors the risk management framework to ensure that adequate systems and controls are in place and that the businesses operate in accordance with all relevant legal and regulatory requirements. It also ensures the management of key risks against appetite group-wide and reports on deviations and material issues across the Group.

Overview of the year

Risk management framework

The Group operates a Three Lines of Defence model to support the risk management framework which is detailed on page 27 of the Strategic Report.

Group level key risks, together with associated key risk indicators and risk appetites for each, have been agreed within the risk management policy and framework, reflecting the risk to the Group's business and delivery of its strategy. Key risks are agreed by the Board and monitored by the Group Risk and Compliance Committee, which reports to the Risk and Audit Committee on any key risk that sits outside of risk appetite and recommends actions to bring them back within tolerance.

Internal control and financial reporting

The Board has overall responsibility for the Group's system of internal control. The Chair of the Risk and Audit Committee is responsible for the internal audit function and is supported by the Head of Internal Audit and the Group Chief Risk Officer.

Services of the co-source internal audit partner, BDO LLP, are utilised alongside those of the in-house team. Audit reports from a rolling programme of work are received and reviewed by the Group Risk and Compliance Committee, the Risk and Audit Committee and any other relevant Committees as appropriate.

The Group's system of internal financial control includes restrictions on payment authorisations and execution and, where appropriate and possible, duties are segregated. The annual budgeting, forecasting and monthly management reporting system, which applies throughout the Group, enables trends to be evaluated and variances to be acted upon. The Group Executive Committee received monthly financial information on results and other performance data and the Board reviewed financial and performance data at each of its formal meetings.

The Committee approved a policy governance framework to implement minimum standards for policies across the Group.

Any system of internal control, however, is designed to manage, rather than eliminate the risk of failure to achieve business objectives and client outcomes. In establishing and reviewing the system of internal controls, the Directors consider the nature and extent of relevant risks, the likelihood of a loss being incurred and costs of control.

Summary of key Committee activities in 2022:

Theme	Action taken by the Committee
Risk oversight	• Received regular updates from Group Chief Risk Compliance Officer and Group General Counsel to consider key risk, compliance and financial crime matters including emerging risks and recommending appropriate actions to the Board and downstream functions • Received updates from the Chief Investment Management Director on Investment Suitability and Oversight and the Risk Budget • Considered regular updates from the Group Chief Risk Officer regarding compliance monitoring plan, KRIs and risk environment • Monitored the adequacy of the Group's whistleblowing policy and investigated any whistleblowing cases during the year.
Regulatory and tax	• Received detailed reports on the Group's compliance with relevant regulations and on the interactions with the Group's regulators • Received regular updates from the CASS auditors and the Group's CASS officer on CASS matters including engagement with the FCA • Considered the Group's taxation status report and its tax strategy. The Group's Tax strategy has been made publicly available on our website. The strategy sets out the Group's governance in relation to tax compliance, risk management, attitude to arranging our tax affairs, and our relationship with the tax authorities. The Group's tax risk appetite is considered to be low.
Audit matters	Internal Audit • Received regular reports from the internal auditors (supported by BDO LLP under a co-sourced model). A number of internal audits were carried out during the year in accordance with a plan approved by the Committee. The Committee monitored progress against the implementation of the recommended actions, and reviewed management's responses to any matters of significance raised during the audit reviews. Where appropriate, past due audit actions were followed up

Theme	Action taken by the Committee
	• External Audit: Mazars LLP continue to act as our external auditors. Mazars confirmed that they were independent and able to express an objective opinion on the financial statements for the year ended 31 December 2022.
Finance matters	• Critical accounting judgements and key sources of estimation uncertainty made in the preparation of the Annual Report and Financial Statements (for further information, see note 4 to the Consolidated Financial Statements) were considered and agreed by the Committee, including: - Revenue recognition - Capitalised costs of obtaining client contracts - Impairment of goodwill - Business combinations - Useful lives of intangible assets - Defined benefit pension schemes - Share-based payments - Accrued income - Investment in subsidiaries - Separately identified operating costs (previously 'exceptional items') - Fair value of financial instruments - PS revenue and work in progress provision • Reviewed and agreed the going concern and viability statements, together with the work carried out as a whole to prepare the Annual Report and Financial Statements 2022. Considering the Annual Report and Financial Statements 2022 were fair, balanced and understandable and provided the information necessary for shareholders to assess the Group and Company's performance, business model and strategy, the Committee recommended to the Board the approval of the Annual Report and Financial Statements 2022 • Recommended to the Board, the approval of the ICARA 2022.
Operations and IT	• Received regular updates from the Chief Operating Officer on material change programmes including custody consolidation for the UK and internationally, upgrades to key systems and platforms and updates on IT controls and cyber security.

Terms of Reference

The Terms of Reference and membership are regularly reviewed by the Committee to make sure they continue to be appropriate.

Consumer Duty and Whistleblowing Champion

The Board have appointed me both the Consumer Duty Champion and the Whistleblowing Champion. A considerable amount of work has been undertaken to prepare our Consumer Duty implementation plan and the firm is now in the execution phase of this work. Whistleblowing training and awareness campaigns were held during the year. No whistleblowing cases were raised in the year under review.

Looking forward

During the coming financial year, the Committee will continue to focus on the risk and prudential risk matters facing the Group, with a particular focus on people, ongoing technology platform changes, cyber, fraud, financial crime and evidence of investment suitability practices. Consumer Duty will remain a key area of focus together with file standards and IT controls as well as people-related risks including attrition, wellbeing, capability and capacity to deliver our strategic priorities, and the evolving regulatory landscape that impacts our business.

Carla Stent
Chair of the Risk and Audit Committee

3 March 2023

Nominations Committee Report

Chris Grigg - Chair of the Nominations Committee

The Chair's statement

It is my pleasure to present to you my second Chair's report on the Nominations Committee's activities during the financial year.

2022 proved to be a busy year for the Committee in which we considered matters relating to succession for the Company and its subsidiaries, approved policies on Board Diversity and Board Director Suitability, Induction & Training. These activities were in support of the long-term success of the Group and its strategic priorities.

Membership and attendance

Details of Committee membership and their attendance is set out on page 83.

Role and responsibilities of the Committee

The primary responsibilities of the Committee include to:

- Review the Board's structure, size and composition, including independence, diversity, knowledge, skills and experience of its members
- Consider succession planning for Directors and senior executives of the Company and its subsidiaries
- Identify and nominate candidates to fill Board vacancies as they arise
- Assess its performance and oversee the performance evaluation process for the Board and its Committees
- Consider the annual reappointment of Directors having regard to their performance and ability to contribute to the Board
- Oversee the induction of new Directors and ongoing training needs for the Board and individual Directors
- Oversee the adequacy of the governance arrangements in place.

Governance

During the year, the governance underpinning the Nominations Committee was revised to replace an executive and management Committee called the 'Appointments Committee' with the Group Executive Committee. The Group Executive Committee reports any material matters as appropriate and recommends executive succession plans to the Nominations Committee in order to allow it to deliver is responsibilities efficiently.

Overview of the year

During 2022, the focus of the Committee's work was to:

- Oversee Board changes and continue to strengthen the senior management succession pipeline
- Lead the process for new Director appointments to the Board
- Review the collective skills, knowledge and experience of the Board, taking into account independence and diversity to inform succession plans
- Consider arrangements relating to Directors including Directors' interests, time commitment, terms of employment and that they remain appropriate.

Succession planning

The Committee leads the process for identification, nomination and recommendation of candidates for appointments to the Board and senior management function holders on the Board. It also ensures plans are in place for orderly succession to both the Board and such senior management positions. In doing so, it follows a rigorous and transparent process as set out in the Board Director suitability, induction & training policy designed to make sure the appointments are based on merit and objective criteria, and, in line with the Board diversity policy, they promote diversity in its broadest sense to complement and strengthen the overall Board and its Committees' skills, knowledge and experience.

As part of the Board appointments process, the Committee takes account of legal and regulatory requirements. The Board retains responsibility for and approves final decisions on these matters.

Appointments to the Board

In 2022, the Committee undertook a search supported by Russell Reynolds resulting in its recommendation to the Board to appoint Kjersti Wiklund as an Independent Non-Executive Director (NED).

Terms of Reference

The Terms of Reference and membership are regularly reviewed by the Committee to make sure they continue to be appropriate and are approved by the Group Boards at least once a year.

Looking forward

Following recent changes to the Board as described on page 14, the Board undertook an evaluation of the operation of the Board and Board Committees in early 2022 after not having been undertaken in 2021. This was designed to allow Board members to transition and for the new Board processes to be established, giving more meaningful observations for the ongoing operational effectiveness of the Board.

The Board Evaluation was facilitated by Lintstock. The key findings of the report included:

- Increasing Board focus and meeting management (especially on strategy)
- Building understanding with deep dives supporting the Board's knowledge (examples being Board Strategy Day, Consumer Duty, Cyber, IT Controls)
- Building cohesion through topical dinners, lunches with colleagues and top talent and spending time on strategy (examples being the Board Strategy Day dinner with the GEC and external speaker and breakfast with top talent). In response to this finding, the 2023 meeting schedule accommodates a Board dinner in each meeting cycle which can be tailored as necessary
- Enhancing composition through appointing a NED with digital/technology talent. This was delivered through the appointment of Kjersti Wiklund.

The Committee will continue to review the appropriateness of the Board structure and composition and oversee the implementation of the agreed actions arising from the external Board review. Key areas of focus going forward will be the Board skills matrix, Board and executive succession planning, workforce engagement, wellbeing and overall talent management.

Chris Grigg
Chair of the Nominations Committee

3 March 2023

Directors' Report

The Directors present their Annual Report on the affairs of the Group and the Company, together with the audited Consolidated Financial Statements for the year ended 31 December 2022.

Registered company number

The Company's registered number is 08741768.

Business review and activities

The principal activities of the Company are set out in the Strategic Report on page 11. The information that fulfils the Companies Act 2006 requirements of the business review is included in the Strategic Report on pages 1 to 65. This includes a review of the development of the business of the Company during the year and of likely future developments in its business. Details of the principal risks and uncertainties are included in the Strategic Report on pages 27 to 34.

Corporate governance statement

The Company's statement on corporate governance can be found in the Corporate Governance Report on pages 73 to 83. The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

Results and dividends

The consolidated results for the year are shown on page 96.

The Directors do not recommend a payment of a final dividend in respect of the financial year ended 31 December 2022. During the year, the Company distributed dividends of £37.5 million (2021: £32.9 million).

Directors

The Directors who served throughout the year under review and up to the point of signing the financial statements are listed below, unless mentioned otherwise.

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

Capital structure

Details of changes in the Company's share capital during the year are given in note 36 to the Consolidated Financial Statements.

Substantial shareholdings

At the balance sheet date, Violin Debtco Guernsey Limited owned 100% of the ordinary share capital of the Company.

Indemnity and insurance

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

Financial instruments and risk management

Information on the Group's financial instruments and management of financial risk are disclosed in notes 3 and 38 respectively.

Corporate responsibility

The Directors are committed to minimising the environmental impact of the Group's operations and to delivering continuous improvement of its environmental performance. See pages 40 to 44 for details of the total greenhouse gas emissions data.

During the year, it was agreed to disband the Corporate Responsibility Committee (CRC) with responsibility passing to the Group Executive Committee (GEC). The GEC have dedicated monthly meetings on ESG. Furthermore, ESG is reported to the new Board ESG Committee on a quarterly basis.

The Group is a supporter of the Task Force for Climate-Related Disclosures (TCFD) and Climate-Related Financial Disclosures are included on pages 56 to 64.

Employees

The Directors ensure that the Group's policies are consistent with its strategic objectives and are designed with the long-term success of the Company. The Group attracts and retains the most talented and committed people through maintaining employee engagement. This is achieved through a combination of effective communication, consultation and employee share ownership. Further detail is set out in the Section 172 Statement on pages 35 to 37 and Corporate Responsibility Report on pages 38 to 64.

The Directors are committed to equality of employment, access and quality of service for disabled people. The Group complies with the UK Equality Act 2010 throughout its business operations. Policies are in place to accommodate existing and prospective employees with disabilities giving full and fair consideration to their particular aptitudes and abilities, and for continuing the employment of employees who have become disabled by arranging appropriate training and making reasonable adjustments in the workplace.

Information included in the Strategic Report

The Strategic Report contains matters, otherwise required to be disclosed in the Directors' Report, which are considered by directors of key strategic importance to the Company. Specifically, details on how the Board engages with colleagues, suppliers and other stakeholders during the year is set out in the Section 172 Statement on pages 35 to 37.

Political donations

No political donations were made during the year (2021: £nil).

Post balance sheet events

Details of post-balance sheet events are set out in note 46 of the Consolidated Financial Statements.

Future developments

Future developments of the Group are discussed in our strategy on pages 15 and 18.

Going concern

Details of the Group's business activities, performance and position, together with the risks it faces and other factors likely to affect its future development, are set out in the Strategic Report. Further information can also be found in note 3 of the Consolidated Financial Statements.

The Directors have considered the Group's prospects and viability (see page 26) for a period of at least 12 months from the date the Consolidated Financial Statements are approved and have concluded that the Group has adequate financial resources over that period and, accordingly, the Directors continue to adopt a going concern basis for the preparation of the Consolidated Financial Statements.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this Annual 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 Section 418 of the Companies Act 2006.

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements 2022, and the Group and Parent Company 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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 Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

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

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

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, and Corporate Governance Report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Report and Financial Statements

We confirm that to the best of our knowledge:

- the financial statements, which have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

On behalf of the Board on 3 March 2023:

Gavin White
Group Company Secretary

Evelyn Partners Group Limited
Registered Number: 08741768
Registered Office: 45 Gresham Street, London, ECV 7BG

Financial Statements

Independent Auditor's Report to the members of Evelyn Partners Group Limited

Opinion

We have audited the financial statements of Evelyn Partners Group Limited (the parent company, 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise:

- the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Cash Flow Statement;
- Notes to the Consolidated Financial Statements, including a summary of significant accounting policies;
- the Company Income Statement;
- the Company Balance Sheet;
- the Company Statement of Changes in Equity;
- the Company Cash Flow Statement; and
- Notes to the Company financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's profit and the Company's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 Group and 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 Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Evaluating the directors' method to assess the group's and the parent company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

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 Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 91, 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 Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- Discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- Considering the risk of acts by the Group and the Company, which were contrary to applicable laws and regulations, including fraud;
- Review of the compliance register, correspondence with regulators, including the lead regulator, the Financial Conduct Authority;
- Review reporting to the Risk and Audit Committee in respect of regulatory, compliance and legal matters;
- Review of internal audit reports, with particular focus on those with potential implications for the financial statements;

- Results of our enquiries of management, Internal Audit and the Audit Committee about their own identification and assessment of the risks of irregularities, and whether they had knowledge of any actual, suspected or alleged fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to: the impairment assessments of goodwill and intangible assets; the assessment of useful economic lives of customer list intangibles; and the valuation of acquired assets, financial instruments and defined benefit pensions assets and obligations.

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

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

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

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

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

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

Use of the audit report

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

Andrew Heffron

Andrew Heffron
Senior Statutory Auditor

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
London

8 March 2023

Consolidated Income Statement

for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Fee and commission income	6	655,660	659,176
Fee and commission expense		(63,482)	(105,269)
Net fee and commission income		**592,178**	553,907
Net trading income		7,324	6,246
Share of results of associates	22	1,271	680
Operating income		**600,773**	560,833
Acquisition and integration costs	7	(26,286)	(24,766)
Strategic consultancy services	8	(5,771)	-
Head office relocation costs	21	(2,268)	(3,925)
Custody consolidation costs	9	(443)	-
Other operating expenses		(512,520)	(481,264)
Total operating expenses		**(547,288)**	(509,955)
Operating profit	10	**53,485**	50,878
Gain on sale of business	12	500	4,213
Dividend income	13	-	384
Finance income	14	690	174
Finance costs	15	(2,771)	(3,282)
Profit before tax		**51,904**	52,367
Taxation	16	(6,537)	(35,604)
Profit for the year attributable to equity holders of the Company		**45,367**	16,763

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

The notes on pages 101 to 152 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Profit for the year		**45,367**	16,763
Items that will not be reclassified subsequently to profit or loss			
Net remeasurement of defined benefit assets	35	**1,298**	9,272
Actuarial loss on retirement annuities	35	**(50)**	(74)
Net gain on revaluation of equity investment securities designated at FVOCI		**352**	378
Tax effect of the above items	16	**(869)**	(2,514)
		731	7,062
Items that may be reclassified subsequently to profit or loss			
Exchange gain on translation of foreign subsidiaries		**533**	102
		533	102
Other comprehensive income for the year, net of tax		**1,264**	7,164
Total comprehensive income for the year net of tax attributable to equity holders of the Company		**46,631**	23,927

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

The notes on pages 101 to 152 form an integral part of these financial statements.

Consolidated Balance Sheet

as at 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Intangible assets	18	1,231,806	1,255,038
Property, plant and equipment	20	35,848	28,311
Right-of-use assets	21	81,121	84,299
Interests in associates	22	7,022	5,646
Retirement benefit assets	35	10,978	9,475
Total non-current assets		1,366,775	1,382,769
Current assets			
Cash and cash equivalents	24	207,942	217,322
Settlement balances – assets	25	9,477	10,083
Trade and other receivables	26	220,126	179,426
Equity investment securities designated at FVOCI	28	3,646	4,004
Derivative financial instruments	23	-	44
Current tax assets		3,405	64
Total current assets		444,596	410,943
Total assets		1,811,371	1,793,712
Liabilities			
Current liabilities			
Borrowings	29	22	-
Settlement balances – liabilities	30	8,965	9,793
Trade and other payables	31	174,229	172,959
Provisions	32	10,044	2,539
Lease liabilities	33	2,379	6,228
Current tax liabilities		32	-
Total current liabilities		195,671	191,519
Net current assets		248,925	219,424
Non-current liabilities			
Long-term provisions	32	14,181	15,039
Lease liabilities	33	84,904	78,817
Net deferred tax liabilities	34	112,787	117,053
Total non-current liabilities		211,872	210,909
Total liabilities		407,543	402,428
Net assets		1,403,828	1,391,284
Equity			
Share capital	36	1,050,894	1,050,894
Share premium	36	51,660	51,660
Capital reorganisation reserve		(1,000)	(1,000)
Fair value through other comprehensive income (FVOCI) reserve		546	738
Retained earnings		301,728	288,992
Total equity		1,403,828	1,391,284

The notes on pages 101 to 152 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 3 March 2023.

They were signed on its behalf by:

Chris Woodhouse
Group Chief Executive Officer

Andrew Baddeley
Group Chief Financial Officer

Company registered number: 08741768

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Capital reorganisation reserve[1] £'000	FVOCI reserve[2] £'000	Retained earnings[3] £'000	Total equity £'000
At 1 January 2021	1,041,654	-	(1,000)	674	297,966	1,339,294
Profit for the year	-	-	-	-	16,763	16,763
Other comprehensive income for the year	-	-	-	380	6,784	7,164
Total comprehensive income	-	-	-	380	23,547	23,927
Dividend distribution	-	-	-	-	(32,900)	(32,900)
Issue of shares	9,240	51,660	-	-	-	60,900
Gain transferred to retained earnings on disposal of equity investments designated at FVOCI	-	-	-	(404)	404	-
Deferred tax on equity items	-	-	-	88	(88)	-
Transfer of residual assets on dissolution of EBT	-	-	-	-	(1,589)	(1,589)
Share-based payments	-	-	-	-	1,652	1,652
At 31 December 2021	**1,050,894**	**51,660**	**(1,000)**	**738**	**288,992**	**1,391,284**
Profit for the year	-	-	-	-	45,367	45,367
Other comprehensive income for the year	-	-	-	(192)	1,456	1,264
Total comprehensive income	-	-	-	(192)	46,823	46,631
Dividend distribution (note 17)	-	-	-	-	(37,500)	(37,500)
Acquisition of interest in a subsidiary	-	-	-	-	(89)	(89)
Share-based payments	-	-	-	-	3,502	3,502
At 31 December 2022	**1,050,894**	**51,660**	**(1,000)**	**546**	**301,728**	**1,403,828**

1. The capital reorganisation reserve occurred in 2020 and is the difference between the value at which share capital was issued and the fair value of the assets acquired with those shares.
2. The fair value through other comprehensive income (FVOCI) reserve consists of accumulated changes in the fair value of equity investments.
3. Retained earnings include the share option, actuarial and translation foreign currency reserves and movements thereon.

The notes on pages 101 to 152 form an integral part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flow from operating activities			
Profit before tax		51,904	52,367
Adjustments for:			
Share of results of associates	22	(1,256)	(680)
Impairment of investment in associate	22	17	-
Finance income	14	(690)	(174)
Finance costs	15	2,771	3,282
Property, plant and equipment written off		15	24
Depreciation of property, plant and equipment	20	4,349	3,821
Depreciation of right-of-use assets	21	12,979	12,573
Amortisation of intangible assets	18	80,398	95,632
Share-based payment expense	37	4,965	2,080
Increase in provisions		6,558	3,469
Defined benefit costs and other retirement costs		85	105
Other non-cash movement		(67)	3
Operating cash flows before movements in working capital		162,028	172,502
Increase in net settlement balances		(222)	(632)
(Increase)/decrease in trade and other receivables		(39,775)	56,217
Decrease in trade and other payables		(2,774)	(23,279)
Decrease in provisions		(9,368)	(2,151)
Cash generated from operations		109,889	202,657
Defined benefit contribution and annuities paid		(181)	(187)
Interest received		-	7
Tax paid		(16,886)	(17,730)
Net cash generated from operating activities		92,822	184,747
Cash flow from investing activities			
Interest received	14	473	32
Dividends received from associate	22	343	133
Dividends received as deemed buyback of equity investments securities	28	857	-
Proceeds on disposal of equity investments held at FVOCI		-	8,687
Additions to intangible assets	18	(38,464)	(45,400)
Additions to property, plant and equipment	20	(11,890)	(21,782)
Purchases of equity investments designated at FVOCI	28	(149)	(2)
Acquisition of business, net of cash acquired	19	(7,897)	(8,808)
Net cash used in investing activities		(56,727)	(67,140)
Cash flows from financing activities			
Dividends paid	17	(37,500)	(32,900)
Repayment of loan from parent undertaking	29	-	(25,000)
Payment of lease liabilities	33	(7,886)	(11,143)
Acquisition of interest in a subsidiary		(89)	-
Net cash used in financing activities		(45,475)	(69,043)
Net (decrease)/increase in cash and cash equivalents		(9,380)	48,564
Cash and cash equivalents at beginning of the year		217,322	168,758
Cash and cash equivalents at the end of the year	24	207,942	217,322

The notes on pages 101 to 152 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2022

1. General information

In June 2022, following rebranding of Tilney Smith & Williamson to Evelyn Partners, the name of Tilney Smith & Williamson Limited changed to Evelyn Partners Group Limited. The most recent audited Annual Report and Financial Statements, being the year ended 31 December 2021, can be found under the former name.

Evelyn Partners Group Limited (the "Company") is a company incorporated in the United Kingdom under the Companies Act and it is the top UK holding company of the Evelyn Partners group of companies (the "Group"). Its registered office is 45 Gresham Street, London, EC2V 7BG. The nature of the Group's operations and its principal activities are set out in in the Strategic Report on pages 1 to 65.

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

The accompanying notes form part of these financial statements.

2. Developments in reporting standards and interpretations

New standards, amendments and interpretations adopted by the Group

The following amendments to standards have been adopted in the current period. None of these amendments have had a material impact on the reported financial position or performance of the Group:

- Annual Improvements to IFRS 2018-2020
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).

New standards, amendments and interpretations not yet adopted

The following new standards and amendments to standards and interpretations are effective for periods beginning on or after 1 January 2023:

- IFRS 17 Insurance Contracts
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Amendments to IFRS 17
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The Group does not intend to adopt the new or amended standards early. It is not currently expected that these new and amended standards will have a material impact on the Group's financial statements.

3. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments, share-based payment arrangements and net defined benefit scheme asset or liability that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below. Unless otherwise stated, they have been applied consistently to all periods presented in the financial statements.

Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The exception to the measurement principle for identifiable net assets acquired is for leases under IFRS 16. The Group, as an acquirer, measures the lease liabilities at the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at the same amount as the lease liability.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Going concern

The Directors are required to satisfy themselves that it is reasonable to presume that the Group and Company are a going concern. After reviewing the Group and Company's performance projections for a period of at least 12 months from the date of issue of the Consolidated Financial Statements, the Directors are satisfied that, in taking account of a range of stress tests which are deemed to be severe but plausible, details of which are set out in the Viability Statement on page 26, the Group and Company have adequate access to resources to enable them to meet their obligations and continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currencies

Functional and presentation currency

The Consolidated Financial Statements are presented in pounds sterling, which is the Group's presentation currency. Assets and liabilities of subsidiaries (shown at functional currency in the subsidiary accounting records) are translated at foreign exchange rates ruling at the balance sheet date. The income and expenses of such undertakings are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation are recognised in other comprehensive income. They are released into the income statement upon disposal of the relevant subsidiary.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Revenue recognition

The Group's revenue streams involve the provision of Financial Services, Professional Services and Fund Solutions (previously known as Fund Administration).

To determine whether to recognise revenue, the Group follows the IFRS 15 five step process. Revenue from contracts with customers is recognised when the Group satisfies a performance obligation for a contracted service.

Performance obligations can be satisfied in a variety of ways upon completion of specific obligations, or as services are rendered. Revenue recognised is the value allocated to the satisfied performance obligation over time or at a point in time. A breakdown of the timing of revenue recognition can be found in note 6.

Financial Services

Discretionary investment management, advisory and financial planning fees

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

Execution only

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

Net interest income

Net interest income comprises interest income or expense from client money held and is calculated using the effective interest method.

Professional Services

The Group generates revenues from Professional Services from a wide variety of contracts for the provision of assurance and business services, tax and advisory services which can involve fixed, variable and contingent fees. Revenue from a contract to provide services, which is typically recognised over time, is recognised by reference to the stage of completion of the contract. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment of cost plus margin for performance completed to date.

The Group typically uses percentage of completion calculations which are based on labour hours expended and, therefore, costs incurred. This is a faithful representation of the completion status because the labour hours expended, and expenses incurred are an accurate record of the work performed.

Measuring the timing and the progress of performance obligations is performed on a consistent basis to similar performance obligations in similar circumstances, using either a contract by contract or portfolio approach.

The Group recognises the different revenue types as follows:

- Time-and-materials contracts are recognised over time as services are delivered where there is a contractual right to payment for services delivered to date
- Fixed fee revenue is recognised over time based on the actual service provided to the end of the reporting period relative to total services to be provided, generally assessed by reference to actual inputs of time and expenses as a proportion of the total expected inputs, and where there is an enforceable right to payment for performance completed to date
- Variable revenue is recognised on an expected value basis unless it related to a contingent event happening. The Group recognises revenue relating to a contingent event over and above a minimum fee to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

If the Group satisfies a performance obligation before it receives the consideration, this is reported either as trade receivables or as a contract asset in the Consolidated Balance Sheet. The Group recognises a contract asset where something other than the passage of time is required before the consideration is due. In all other cases, the Group recognises a receivable for the consideration due.

Payments on account in excess of the relevant amount of revenue are included in excess payments received on account within trade and other payables in the Consolidated Balance Sheet. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts within trade and other payables in the Consolidated Balance Sheet.

Services may be provided for periods greater than one year. As the Group bills an amount based on the contractual terms of the engagement, usually determined by an individual's charge out rate for each hour of contracted service provided, the entity has a right to invoice the customer in the amount that corresponds directly with the value of the entity's performance completed to date. Consequently, in accordance with IFRS 15.121(b), the Group has elected not to disclose information about remaining performance obligations.

Fund solutions

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

Dividend income

Dividend income from investments is recognised when the right to receive payment is established. This is the ex-dividend date for listed equity securities, and usually the date when shareholders approve the dividend for unlisted equity securities.

Interest income

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

Leases

Lessee accounting

The Group is party to leases as a lessee in relation to property agreements for the use of office space. All leases are accounted for by recognising a right-of-use asset and a lease liability except for short-term leases and leases of low value assets. The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases of assets below £10,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The Group recognises the right-of-use asset and the lease liability at the lease commencement date. Lease liabilities are initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement date of the lease is used. Incremental borrowing rates are determined daily based on the actual rates payable on the senior debt held by the Company's parent undertaking, Violin Debtco Guernsey Limited, and an entity-specific adjustment where the entity risk profile is different to that of the Group.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and reduce for lease payments.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the Group is required to dismantle, remove or restore the asset. Additionally, they may be re-measured to reflect reassessment due to lease modifications.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Additionally, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

For lease agreements relating to properties, non-lease components are excluded from the projection of future lease payments and recorded separately within operating costs on a straight-line basis.

If the Group revises its estimate of the term of any lease, it will adjust the carrying amount of the lease liability to reflect the payments to be made over the revised term, discounted at the revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Lessor accounting – subleases

The Group sublets surplus office space for certain properties and in these instances acts as an intermediate lessor in the sublease. The Group classifies its subleases as operating or finance leases by reference to the right-of-use asset arising from the head lease (rather than by reference to the underlying asset) or if the head lease belonging to the Group is a short-term lease, the subleases are classified as operating leases.

As an intermediate lessor for finance subleases, the Group derecognises the right-of-use asset relating to the head lease and recognises a net investment in the sublease. The lease payments included in the measurement of the net investment in the finance lease comprises the present value of fixed payments, less any lease incentives payable for the right to use the underlying asset during the lease term that are not received at the lease commencement date. Any differences between the right-of-use asset and the net investment in the subleases are recognised in the Consolidated Income Statement. The Group retains the lease liabilities relating to the head leases on its Consolidated Balance Sheet, which represents the lease payments payable to the head lessor. On subsequent measurement, rentals are apportioned between a reduction in the net investment in the sublease and finance income over the lease term.

For subleases which are classified as an operating lease, the Group retains the lease liability and the right-of-use asset relating to the head lease on its Consolidated Balance Sheet and recognises lease income from the sublease.

Share-based payment arrangements

The cost of share-based employee compensation arrangements, whereby employees and Partners receive remuneration in the form of shares or share awards, is recognised as an employee benefit expense in the Consolidated Income Statement.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value at the grant date of the shares and the number that are expected to vest. The assumptions underlying the number of awards expected to vest are subsequently adjusted to reflect conditions prevailing at the balance sheet date. Fair value is measured by use of a binomial model.

Taxation

The tax expense represents the sum of the tax currently payable and movements in deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit or loss for the year as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income or directly in equity, in which case, the deferred tax is also dealt with in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Segmental reporting

The Group determines and presents operating segments based on the information that is provided internally to the Group Executive Committee, which is the Group's Chief Operating Decision Maker. An operating segment is a component of the Group that engages in business activities from which it may earn income and incur expenses, including income and expenses that relate to transactions with any of the Group's other components.

The Group Executive Committee regularly reviews and assesses the performance of an operating segment and makes decisions about the level of resources allocated to a segment. Operating segments are organised around the services provided to clients and a description of the services provided by each segment is given in note 5.

Transactions between operating segments are reported within the income or expenses for those segments. Indirect costs are allocated between segments in proportion to the principal cost driver for each category of indirect cost.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is treated as having an indefinite life and is therefore not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. The Group has three cash-generating units, Financial Services, Professional Services and Fund Solutions. It is not possible to divide the business into smaller assets that generate independent cash flows.

The cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the units may be impaired. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Other intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of the changes in estimate being accounted for on a prospective basis.

Other intangible assets that have arisen in relation to the Group's acquisitions of subsidiaries comprise customer lists, funds databases, brands and IFA relationships. Such assets are assessed and capitalised when it is probable that future economic benefits attributable to the assets will flow to the Group and the costs of the assets can be measured reliably. They have an average remaining amortisation period of 8 years.

Trading platform costs, software costs and other business development comprises internally generated intangible assets that meet the requirements of IAS 38 Intangible Assets and have been capitalised. These systems were implemented in phases while development continued, hence costs have been transferred to assets in use and amortisation commenced in a way that matches this phased roll out. Only rarely will subsequent expenditure – expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset – be recognised in the carrying amount of an asset.

Certain earn-out agreements that have been entered into include payments that relate to the level of assets under management brought into the Group through new client contracts. These arrangements are typically used where an individual or small team of investment managers is recruited: these individuals or teams are not considered to be a business as defined under IFRS 3, and hence recruitment of this kind is not accounted for as a business combination. As it is anticipated that the revenue generated from the assets transferred to the Group through these new contracts will be greater than the earn-out payments made, these payments have been capitalised as incremental costs of obtaining client contracts under IFRS 15, and are included within customer lists. These assets are amortised over the period for which future economic benefits are expected to be received.

Intangible assets are amortised over their estimated useful lives as follows:

	Average number of years 2022	Average number of years 2021
Customer lists	**12.6**	12.9
Funds database	**6.3**	6.3
Brand	**20.0**	20.0
IFA relationship	**13.0**	13.0
Trading platform	**15.0**	15.0
Software costs	**8.8**	8.8
Other business development	**4.0**	4.0

Tangible fixed assets

Tangible fixed assets including right-of-use assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Asset type	Basis of depreciation
Computer equipment	3 years
Short-term leasehold improvements	over the lease term
Furniture, fittings and equipment	5 years

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is based on the value in use of the asset. This is assessed on expected revenue generation less any servicing costs together with recent experience.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Interests in associate

An associate is an entity over which the Group exercises significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated into these financial statements using the equity method of accounting. Investments in associates are carried in the Consolidated Balance Sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interest that, in substance, forms part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. If the cost of acquisition is less than the fair value of the net assets of the associate acquired, the difference is recognised directly in the income statement.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Cash and cash equivalents

For the purpose of preparation of the Consolidated Cash Flow statement, cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity period of three months or less. Bank overdrafts that are an integral part of a Group entity's cash management are included in cash and cash equivalents where they have a legal right of set-off against positive cash balances and an intention to settle on a net basis.

Settlement balances

Settlement balances, which are a sub-class of either financial assets or financial liabilities, are disclosed separately. They represent amounts that are either receivable or payable by the Group in respect of unsettled trades. Purchases and sales of investments are recognised at trade date which is the date on which the Group commits to purchase or sell the asset.

In accordance with market practice settlement balances with clients, counterparties, Stock Exchange member firms and settlement offices are included in settlement balances gross for unsettled bought and sold transactions respectively. These receivables or payables are initially recognised at fair value.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Initial recognition of trade receivables is at their transaction price if the trade receivables do not contain a significant financing component.

Financial assets

Classification

The Group classifies its financial assets into those to be measured at amortised cost and those to be measured at fair value (either through other comprehensive income, or through profit or loss). The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

Financial assets measured at amortised cost

Investments in debt instruments are measured at amortised cost where they have contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows. Financial assets measured at amortised cost are included in cash and cash equivalents (note 24), settlement balances – assets (note 25), and trade and other receivables (note 26).

Financial assets measured at fair value through other comprehensive income

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in the Consolidated Income Statement. Further details of equity financial instruments are disclosed in note 28.

Financial assets measured at fair value through profit and loss

Derivatives are recorded at fair value at each reporting date. Changes in the fair value of derivatives are recognised immediately in the income statement. The Group has taken out a forward interest rate cap to manage its exposure to interest rate movements. Further details of derivative financial instruments are disclosed in note 23.

Impairment

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

Trade receivables are generally short-term and do not contain significant financing components. The Group has applied a practical expedient by using a provision matrix to calculate lifetime ECLs based on actual credit loss experience over the past two years adjusted by forward-looking estimates.

The Group has applied the practical expedient for low credit risk financial assets. Bank deposits with an external rating of BBB or above are considered to be low credit risk. For low credit risk financial assets, only 12-month expected credit losses are recognised, where material.

Settlement balances represent amounts that are receivable by the Group in respect of unsettled trades which are expected to be settled within days. Due to the short-term nature of this balance, related ECLs are generally not recognised.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses are presented under 'operating expenses' (note 10). No losses, unless material, are presented separately in the Consolidated Income Statement.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

All financial liabilities are held at amortised cost. The Group has not designated any liabilities as fair value through profit or loss.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Retirement benefits

The Group operates defined contribution pension schemes. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. As part of a flexi-benefit scheme, the Group also offers employees the option of having part of their remuneration as payments into a defined contribution pension scheme. The pension cost charge in the profit and loss account represents contributions payable by the Group into individuals' personal pension arrangements.

The Group also participates in three defined benefit schemes. These schemes are closed to new members. There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 (Revised 2011), the Group recognises a service cost, which is presented within operating expenses in the Consolidated Income Statement.

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

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

The Group presents current service cost, past service cost and settlements within operating expenses in its Consolidated Income Statement. Curtailments gains and losses are accounted for as past service cost.

Net interest expense or income is recognised within finance costs (see note 15).

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

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

Death in service benefits

Insured death in service benefits are accounted for as defined contribution arrangements.

Profit sharing and bonus plans

The Group recognises a liability under accruals and deferred income (note 31) and an expense for bonuses and equivalent profit shares. The Group recognises a provision when contractually obliged or when there is a past practice that has created a constructive obligation.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of discounting is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Refer to note 32 for the nature of provisions, payment profiles and estimation methodologies.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Accounting judgements

Revenue recognition

Revenue is recognised on the basis of the satisfaction of performance obligations. The identification of and accounting for these performance obligations requires judgement. This judgement is needed to determine the value and timing of revenue in relation to when performance obligations are satisfied, the allocation of transaction prices and the recognition of variable (on an expected value basis) and contingent revenue.

Further judgements are needed with contracts where the collectability is uncertain or there is contingency on the occurrence of a future event. The judgements in these instances relate to the value of revenue that needs to be constrained so that it is highly probable that a significant reversal of revenue will not occur. Management regularly reviews the collectability of revenue and the likelihood of events occurring. Where revenue is not collectable or where it is not highly probable that a significant reversal of revenue will not occur, revenue is not recognised.

Judgements are made to allocate revenue to performance obligations. Further judgements are made in the valuation of contract assets and potential variable consideration which results in the recognition of contract assets.

If different judgements were made on any of the above areas this could affect both the timing and extent of revenue and assets recognised within a financial period.

Capitalised costs of obtaining client contracts

The Group has treated certain amounts due under earn-out arrangements as the incremental costs of obtaining client contracts and recognised these as intangible assets under IFRS 15. In identifying whether costs should be capitalised, management judgement has been applied in determining which costs are incremental as opposed to being remuneration for ongoing services, in assessing the level of future economic benefit that will be generated from these client contracts, and in assessing the appropriate useful economic life over which to amortise these assets. To the extent that payments are judged to be incremental and recoverable through future revenues generated, they are capitalised as customer list intangibles (note 18).

Defined benefit scheme asset recognition basis

Under IAS 19 the net defined benefit pension scheme asset that can be recognised is the lower of the surplus and the asset ceiling (i.e. the economic benefits available in the form of refunds or reductions in future contributions or a combination of both, in accordance with IFRIC 14 'IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'). Under each Scheme's Trust Deeds and Rules the Group is able, without condition or restriction placed on it by the Trustees, to run the scheme until the last member dies, without benefits being augmented; wind up the scheme at that point; and reclaim any remaining monies. Consequently, the Group recognises the full surplus calculated in accordance with IAS 19 and IFRIC 14. The defined benefit pension schemes have a net surplus of £11.4 million at the balance sheet date (2021: £10.0 million) (note 35).

Accounting estimates

Impairment of goodwill

The impairment of goodwill is determined as set out in the accounting policies in note 3 and requires estimates in relation to future cash flows and suitable discount rates. The carrying amount of goodwill at the balance sheet date was £658.7 million (2021: £654.1 million). Note 18 also summarises the potential impact on the carrying value of goodwill of key sensitivities.

Business combinations

As part of any business combination the Group recognises all assets acquired and liabilities assumed at their acquisition date fair values, including any separately identifiable intangible assets such as the customer lists and brand intangibles recognised as part of the acquisition.

The value attributed to the customer lists and brand affects the amount of goodwill recognised. This value together with the assessment of useful economic lives of these intangible assets determines the future amortisation charges. The assessment of the useful economic life of customer lists reflects a number of factors, including the Group's previous experience of client attrition in relation to acquired businesses, typical lengths of customer lists for both existing clients of the Group and for the acquired clients, as well as any specific factors known at the point of acquisition. This allows an initial estimate of the useful economic life to be made, based on the expected average life of customer lists for the acquired clients, which will then be reviewed in following periods to consider whether any adjustment is required.

The valuation of the customer lists and brand intangible assets gives rise to estimation uncertainty. Certain assumptions regarding the amount, timing and discounting of future cash flows have been adopted in order to determine these fair values.

Note 19 sets out the separately identifiable intangible assets in relation to the ten acquisitions during the year, which were valued at £14.1 million at the date of acquisition and are being amortised over 12 years. The key assumptions identified in valuing the customer lists are the useful economic life, the profit margins achieved and the discount rate applied. The sensitivity of the valuation to these assumptions has been assessed by considering the impact of reasonably possible changes to the values used: no such changes have been identified that would reduce the valuation below £14.1 million.

Useful lives of intangible assets

As described in note 3, the Group reviews the estimated useful lives of intangible assets at the end of each reporting period. The estimated useful lives (note 3) are based on management's best estimate and a decrease of 1 year in the useful life of the intangible assets (calculated by reducing the useful economic life of each separately recognised intangible by one year) would result in a £11.0 million increase in the amortisation for the current year. The actual amortisation charge for the year is £80.4 million (2021: £95.6 million).

Defined benefit pension schemes

The calculation of the present value of each defined benefit pension scheme is determined by using actuarial valuations. Management makes key assumptions in determining the inputs into the actuarial valuations, which may differ from actual experience in the future. These assumptions are governed by IAS 19 Employee Benefits, and include the determination of the discount rate, life expectancies, inflation rates and future salary increases. Due to the complexities in the valuation, the defined benefit pension scheme obligation is highly sensitive to changes in these assumptions. The detailed assumptions, including a sensitivity analysis, are set out in note 35.

Share-based payments

In determining the fair value of equity settled share-based awards and the related charge to the income statement, the Group makes assumptions about future events and market conditions. In particular, estimates must be formed as to the likely number of shares that will vest and the fair value of each award granted. The fair value is determined using a valuation model which is dependent on a number of assumptions about the Group's future dividend policy and the future volatility in the price of the Group's shares. Such assumptions reflect market expectations and advice taken from qualified personnel. Different assumptions about these factors to those made by the Group could materially affect the reported value of share-based payments. Details of the Group's share schemes and share-based payments can be found in note 37.

Accrued income – Professional Services

Accrued income and work billed are recognised as income when there is a right to consideration and the outcome can be estimated reliably. This methodology is subject to significant estimation uncertainty due to the subjective nature of assessing both the stage of completion and recoverability of accrued income and different estimations could materially affect the reported value of accrued income. The review of the stage of completion and recoverability of accrued income is undertaken by the relevant Partner or Director on a client-by-client basis. The amount of accrued income at the balance sheet date was £34.9 million (2021: £19.1 million) (note 6).

5. Segmental information

The Group has three operating segments; Financial Services, Professional Services and Fund Solutions (previously known as Fund Administration). The Group Executive Committee, which reports directly to the Board, has been determined to be the chief operating decision maker for the purposes of making decisions regarding the allocation of resources and assessing the performance of the identified segments. The Group has determined its operating segments on the basis of services offered.

The Financial Services segment principally comprises investment management and financial planning services. The Professional Services segment principally comprises assurance and accountancy, business and private client tax, forensic services, restructuring and recovery and transaction services. The Fund Solutions segment comprises the establishment and ongoing servicing of funds for which it acts as the Authorised Corporate Director (ACD) or equivalent.

The Group's operations are carried out in the UK, Ireland and the Channel Islands. The operations in Ireland and the Channel Islands are not material and accordingly geographical segment disclosures are not included.

The Group is not reliant on any one client or group of connected clients for generation of revenues.

31 December 2022	Financial Services £'000	Professional Services £'000	Fund Solutions £'000	Total £'000
Segment results				
Fee and commission income	449,877	158,578	47,205	655,660
Fee and commission expense	(25,366)	-	(38,116)	(63,482)
Net fee and commission income	424,511	158,578	9,089	592,178
Net trading income	7,324	-	-	7,324
Share of results of associates	-	1,271	-	1,271
Operating income	431,835	159,849	9,089	600,773
Operating expenses	(357,931)	(146,808)	(7,781)	(512,520)
Operating profit before separately identified operating costs	73,904	13,041	1,308	88,253
Acquisition and integration costs (note 7)				(26,286)
Strategic consultancy services (note 8)				(5,771)
Head office relocation costs (note 21)				(2,268)
Custody consolidation costs (note 9)				(443)
Operating profit				53,485
Gain on sale of business				500
Investment revenue				690
Finance costs				(2,771)
Profit before tax				51,904
Segment assets	1,557,521	215,476	27,947	1,800,944
Interests in associates				7,022
Unallocated corporate assets[1]				3,405
Consolidated total assets				1,811,371
Segment liabilities	242,350	38,516	13,858	294,724
Unallocated corporate liabilities[1]				112,819
Consolidated total liabilities				407,543
Other segment items:				
Purchase of property, plant and equipment (note 20)	9,184	2,521	185	11,890
Purchase of intangibles (note 18)	54,864	2,145	157	57,166
Additions to right-of-use assets (note 21)	8,161	2,241	164	10,566
Depreciation and amortisation (note 18, 20 and 21)	91,040	6,372	314	97,726

1. Unallocated corporate assets/liabilities comprise current and deferred tax balances

31 December 2021	Financial Services £'000	Professional Services £'000	Fund Solutions £'000	Total £'000
Segment results				
Fee and commission income	444,137	134,065	80,974	659,176
Fee and commission expense	(35,891)	-	(69,378)	(105,269)
Net fee and commission income	408,246	134,065	11,596	553,907
Net trading income	6,246	-	-	6,246
Share of results of associates	-	680	-	680
Operating income	414,492	134,745	11,596	560,833
Operating expenses	(353,173)	(120,342)	(7,749)	(481,264)
Operating profit before separately identified operating costs	61,319	14,403	3,847	79,569
Acquisition and integration costs (note 7)				(24,766)
Head office relocation costs (note 21)				(3,925)
Operating profit				50,878
Gain on sale of business				4,213
Investment revenue				558
Finance costs				(3,282)
Profit before tax				52,367
Segment assets	1,581,245	178,480	28,277	1,788,002
Interests in associates				5,646
Unallocated corporate assets[1]				64
Consolidated total assets				1,793,712
Segment liabilities	237,006	34,876	13,493	285,375
Unallocated corporate liabilities[1]				117,053
Consolidated total liabilities				402,428
Other segment items:				
Purchase of property, plant and equipment (note 20)	17,231	4,106	445	21,782
Purchase of intangibles (note 18)	43,651	1,578	171	45,400
Additions to right-of-use assets (note 21)	54,544	12,928	1,400	68,872
Depreciation and amortisation (note 18, 20 and 21)	91,160	20,541	325	112,026

1. Unallocated corporate assets/liabilities comprise current and deferred tax balances

6. Revenue from contracts with customers

Revenue from contracts with customers is disclosed as fee and commission income in the Consolidated Income Statement.

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following business areas:

31 December 2022	Fee and commission income £'000	Timing of revenue recognition: At a point in time £'000	Timing of revenue recognition: Over time £'000
Financial Services			
Discretionary investment management	381,720	25,420	356,300
Advisory investment management	10,807	-	10,807
Execution only	17,222	535	16,687
Financial planning	22,477	167	22,310
Net interest income	17,651	-	17,651
	449,877	26,122	423,755
Professional Services			
Assurance and business services	45,602	-	45,602
Tax	64,455	-	64,455
Advisory	48,521	5,040	43,481
	158,578	5,040	153,538
Fund Solutions	47,205	-	47,205
Fee and commission income	655,660	31,162	624,498

31 December 2021	Fee and commission income £'000	Timing of revenue recognition: At a point in time £'000	Timing of revenue recognition: Over time £'000
Financial Services			
Discretionary investment management	394,211	27,102	367,109
Advisory investment management	9,781	-	9,781
Execution only	15,329	1,811	13,518
Financial planning	24,623	28	24,595
Net interest income	193	-	193
	444,137	28,941	415,196
Professional Services			
Assurance and business services	38,020	-	38,020
Tax	55,800	-	55,800
Advisory	40,245	5,296	34,949
	134,065	5,296	128,769
Fund Solutions	80,974	-	80,974
Fee and commission income	659,176	34,237	624,939

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	2022 £'000	2021 £'000
Receivables		
Financial Services – billed fees	4,142	5,898
Professional Services – billed fees	30,220	28,922
	34,362	34,820

Receivables are included in trade and other receivables (note 26).

	2022 £'000	2021 £'000
Contract assets		
Financial Services – unbilled fees	71,768	72,048
Professional Services – unbilled fees	34,864	19,110
	106,632	91,158

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date and are included in accrued income (note 26).

	2022 £'000	2021 £'000
Contract liabilities		
Financial Services – fees in advance	1,237	1,812
Professional Services – fees in advance	2,277	2,691
	3,514	4,503

Contract liabilities primarily relate to the advance of consideration received from clients and are included in accruals and deferred income (note 31).

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Contract assets £'000	Contract liabilities £'000
At 1 January 2022	91,158	4,503
Income recognised	-	(4,503)
Cash received excluding recognised income	-	3,514
Transfer to receivables	(84,849)	-
Increases as a result of changes in the measure of progress	100,323	-
At 31 December 2022	106,632	3,514

	Contract assets £'000	Contract liabilities £'000
At 1 January 2021	82,933	5,582
Income recognised	-	(5,582)
Cash received excluding recognised income	-	4,503
Transfer to receivables	(82,933)	-
Increases as a result of changes in the measure of progress	91,158	-
At 31 December 2021	91,158	4,503

7. Acquisition and integration costs

Significant integration costs continue to be incurred in relation to the merger of Tilney and Smith & Williamson. Work continues in relation to the implementation of new departmental structures, the de-duplication of costs and the rationalisation of systems, as well as the launching of the new Evelyn Partners brand name in June 2022. Costs reported here include both the direct costs incurred in integrating the businesses, and the costs involved in running the various projects required to direct and oversee these activities. Further costs relating to the integration of Tilney and Smith & Williamson will be incurred. Total acquisition and integration costs for the year were £26.3 million (2021: £24.8 million), of which £1.4 million relates to acquisition costs, including costs associated with potential acquisitions that did not proceed.

It is anticipated that due to the acquisitive nature of the Group, acquisition and integration costs will be incurred in most reporting periods. As these costs will relate to various acquisitions, all of which are of a discretionary nature, with significant variation in the level of costs incurred, they are separately disclosed.

8. Strategic consultancy services

Strategic consultancy services relate to a specific series of projects undertaken in 2022, providing advice on future opportunities for the next stage of the Group's strategic development. We have been supported by a number of specialist advisers on these projects. Total strategic consultancy costs for the year were £5.8 million (2021: £nil).

These costs are considered by management to be non-recurring in nature, material in size, and are outside the normal activities of the Group.

9. Custody consolidation costs

Custody consolidation costs relate to costs incurred in introducing a consistent custody model across the Group for assets held internationally. This includes changes to existing systems to allow safekeeping of assets held internationally, and moving to a single sub-custodian for these assets. Total custody consolidation costs for the year were £0.4 million (2021: £nil).

The custody consolidation project is expected to be completed in 2023, with a material level of costs incurred over the duration of these activities.

10. Operating profit

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

	2022 £'000	2021 £'000
Depreciation of property, plant and equipment (note 20)	4,349	3,821
Depreciation of right-of-use assets (note 21)	12,979	12,573
Amortisation of intangible assets (note 18)	80,398	95,632
Change in expected credit losses (note 27)	1,042	(122)
Gain on foreign exchange	(72)	(139)
Property, plant and equipment written off	15	24
Staff costs (note 11)	313,796	293,788
Auditor's remuneration (see below)	1,437	1,264

A more detailed analysis of auditor's remuneration is provided below.

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for:		
- The audit of the Company's annual accounts	173	163
- The audit of the Company's subsidiaries	747	647
- Audit-related assurance services	517	454
	1,437	1,264

11. Staff costs

The average monthly number of employees (including Executive Directors and Partners) was:

	2022 Number	2021 Number
Financial Services	595	590
Professional Services	780	793
Fund Solutions	70	68
Support staff	1,969	1,735
	3,414	3,186

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	271,975	257,380
Social security costs	24,930	21,706
Other pension costs (note 35)	11,928	12,622
Share-based payments (note 37)	4,963	2,080
	313,796	293,788

12. Gain on sale of business

On 29 January 2021, the Group transferred investment management responsibility for nine funds managed by Evelyn Partners Investment Management LLP (previously Smith & Williamson Investment Management LLP), a subsidiary of the Group, to Sanlam Investments UK Limited. Initial cash consideration of £4.2 million was received during the year ended 31 December 2021, with deferred cash consideration of £0.5 million received in the current period.

13. Dividend income

Dividend income comprises income from equity investment securities designated at FVOCI, as detailed below.

	Number of shares	2022 £'000	Number of shares	2021 £'000
Euroclear plc (unlisted)	-	-	5,427	384

14. Finance income

	2022 £'000	2021 £'000
Interest income on bank deposits	473	32
Interest income on other loans and receivables	217	142
	690	174

15. Finance costs

	2022 £'000	2021 £'000
Interest on bank overdrafts and loans	241	158
Interest payable to parent companies	-	839
Interest payable on loan notes	2	2
Interest on lease liabilities (note 33)	2,500	2,269
Fair value gain arising on derivatives	(434)	(28)
Unwinding of discount on deferred payments	643	49
Net interest credit on defined benefit obligation and retirement benefit annuities (note 35)	(181)	(7)
	2,771	3,282

16. Taxation

	2022 £'000	2021 £'000
Current tax		
- current year	18,252	27,407
- adjustment in respect of prior years	(3,054)	(2,198)
	15,198	25,209
Deferred tax		
- current year	(11,533)	(16,884)
- adjustment in respect of prior years	3,239	2,285
- effect of changes in tax rates	(367)	24,994
	(8,661)	10,395
Total tax charge	6,537	35,604

Corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit for the year for UK tax-resident entities, and at the applicable local tax rate for entities tax-resident in other jurisdictions.

In the prior year, a charge of £25.0 million was recognised as a result of the increase in the UK Corporation Tax rate to 25% for large companies from April 2023, as this affected the rate at which deferred tax balances should be recognised in the financial statements (see note 34). No further changes to UK Corporation Tax rates had been substantively enacted as at the balance sheet date.

	2022 £'000	2021 £'000
Profit before tax on continuing operations	51,904	52,367
Tax at the domestic rates applicable to profits in the country concerned – 19.2% (2021: 19.0%)	9,962	9,950
Tax effect of:		
Adjustment in respect of prior year	184	87
Non-deductible expenses	950	498
Release of prior year provision	(3,553)	-
Income not taxable	(241)	(73)
Effects of change in rate at which deferred tax is recognised	(367)	24,994
Effects of overseas tax rates	20	40
Amounts not recognised	(418)	108
Tax charge for the year	6,537	35,604

Tax recognised in the Statement of Other Comprehensive Income comprises:

	2022 £'000	2021 £'000
Actuarial movements	325	2,516
Equity investments designated at FVOCI movements	544	(2)
Debited in the statement of other comprehensive income	869	2,514

17. Dividends

A first interim dividend for the year ended 31 December 2022 of £17.5 million (166.5p per share) was distributed and paid to the Company's sole shareholder on 7 July 2022. A second interim dividend for the year ended 31 December 2022 of £20.0 million (190.3p per share) was distributed and paid to the Company's sole shareholder on 15 December 2022.

An interim dividend for the year ended 31 December 2021 of £32.9 million (313.1p per share) was distributed and paid to the Company's sole shareholder on 8 December 2021.

18. Intangible assets

	Goodwill £'000	Customer lists £'000	Funds database £'000	Brand £'000	IFA Relationship £'000	Trading platform £'000	Software costs £'000	Other business develop-ment £'000	Total £'000
Cost									
At 1 January 2021	651,133	743,864	2,545	29,628	6,700	2,964	72,160	10,495	1,519,489
Acquired with subsidiary	2,986	10,538	-	-	-	-	-	-	13,524
Additions	-	11,613	-	-	-	-	24,104	9,683	45,400
Reclassification	-	-	-	-	-	-	2,721	(2,721)	-
At 31 December 2021	**654,119**	**766,015**	**2,545**	**29,628**	**6,700**	**2,964**	**98,985**	**17,457**	**1,578,413**
Acquired with business	**4,588**	**14,114**	-	-	-	-	-	-	**18,702**
Additions	-	**3,168**	-	-	-	-	**17,314**	**17,982**	**38,464**
At 31 December 2022	**658,707**	**783,297**	**2,545**	**29,628**	**6,700**	**2,964**	**116,299**	**35,439**	**1,635,579**
Accumulated amortisation									
At 1 January 2021	-	209,192	1,061	2,101	3,305	2,045	9,148	891	227,743
Charge for the year	-	57,835	459	25,750	515	275	8,691	2,107	95,632
At 31 December 2021	-	**267,027**	**1,520**	**27,851**	**3,820**	**2,320**	**17,839**	**2,998**	**323,375**
Charge for the year	-	**60,325**	**350**	**145**	**515**	**146**	**13,373**	**5,544**	**80,398**
At 31 December 2022	-	**327,352**	**1,870**	**27,996**	**4,335**	**2,466**	**31,212**	**8,542**	**403,773**
Carrying amount									
At 31 December 2022	**658,707**	**455,945**	**675**	**1,632**	**2,365**	**498**	**85,087**	**26,897**	**1,231,806**
At 31 December 2021	654,119	498,988	1,025	1,777	2,880	644	81,146	14,459	1,255,038

Additions to goodwill during the year are in respect of the acquisitions referred to in note 19.

The carrying amount and remaining amortisation periods for material individual intangible assets is disclosed below.

Description of intangible	Carrying amount £'000	Number of years amortisation remaining
Customer lists on acquisition of Bestinvest Holdings group	**52,032**	**4.9**
Customer lists on acquisition of Ingenious group	**12,000**	**5.3**
Customer lists on acquisition of Towry group	**165,634**	**5.6**
Customer lists on acquisition of Moore Stephens	**9,141**	**8.1**
Customer lists on acquisition of Smith & Williamson (Financial Services)	**156,439**	**12.7**
Customer lists on acquisition of Smith & Williamson (Professional Services)	**10,465**	**7.7**
Customer lists relating to payments made to investment managers	**17,261**	**10.3**
Software costs - Core Wealth project	**32,578**	**7.7**
Software costs - XPlan	**12,631**	**5.8**
Software costs – XPlan and Avaloq integration	**19,842**	**7.7**
Software costs – Custody migration	**14,917**	**3.8**
Other business development – Digital hybrid	**14,521**	**2.4**

Amortisation of intangible assets is included within operating expenses.

In the prior year, the rebranding of the Group to Evelyn Partners meant that the Tilney and Smith & Williamson brands would not be used in the future. This had therefore shortened the useful economic life of those brands from that expected when they were acquired, resulting in an accelerated amortisation charge being recognised. An additional expense of £22.7 million, above that which would have been recognised under the original estimates of the useful economic life, was charged during the year ended 31 December 2021, reducing the carrying value of these brands to zero.

Impairment - Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the groups of cash generating units (CGUs) that are expected to benefit from that business combination. During 2021, the Group changed the way management monitors and reviews information to include the Fund Solutions business as a separate CGU.

Under this methodology, the carrying amount of goodwill has been allocated as follows:

	2022 £'000	2021 £'000
Cash generating unit:		
Financial Services	601,378	596,790
Professional Services	57,329	57,329
Fund Solutions	-	-
	658,707	654,119

The recoverable amounts of the two CGUs to which goodwill has been allocated have been determined based on value-in-use calculations, using discounted cash flow projections prepared by management covering the five-year period ending 31 December 2026. Cash flows beyond this period are extrapolated using the estimated long-term growth rates and applying the pre-tax discount rates referred to below. The date at which the annual impairment review is performed was permanently changed to 30 September during the year. The key assumptions in the value-in-use calculation are the five-year revenue and cost growth rates, the long-term economic growth rates (used to determine terminal values) and the pre-tax discount rates.

The revenue and cost growth rate assumptions were derived from forecasts based on nine-month actuals and three-month forecasts for 2022 and forecasts for the following four years. These forecasts reflect past experience, current trends, anticipated market developments following the COVID-19 crisis, and management's experience. UK revenue growth rates were expected to be lower in 2023 for the FS business due to market turbulence and inflationary pressures, but were expected to be higher in the PS business due to increased headcount and strong demand. Growth rates are stable in later years, with growth from 1 January 2024 to 31 December 2026 being estimated at between 10% and 11% per annum for the Financial Services business and 8% per annum for the Professional Services business. Singapore revenue growth rates from 1 January 2023 to 31 December 2027, which are relevant for the goodwill impairment review in respect of interests in associates (note 22), have been estimated at 4% in 2023 and 6% thereafter.

The long-term growth rates of 1.5% (2021: 1.5%) for the UK and 2.5% (2021: 2.5%) for Singapore were based upon the IMF World Economic Outlook, at the assessment date, for GDP growth in 2027 of 1.5% for the UK and 2.5% for Singapore. Reasonable changes in long-term growth rates have been considered in the sensitivity analysis discussed below.

The pre-tax discount rate was based on a number of factors including the risk-free rates in the UK (using the yield from twenty-year British Government Securities, with a nominal zero coupon, at the balance sheet date), the Group's estimated market risk premium and a premium to reflect the private status and size of the Group. The pre-tax discount rate used was 12.5% (2021: 10.0%) for Professional Services and 14.0% (2021: 10.8%) for Financial Services.

Based on the results of the impairment tests performed, management believes there is no impairment of the carrying value of the goodwill in either CGU.

Value-in-use calculations are sensitive to changes in the key assumptions. The impact of these changes has been assessed in relation to each CGU, with sensitivities set out in the table below.

Cash generating unit	Excess of value in use over carrying value £'000	1.0% decrease in revenue growth rate £'000	1.0% increase in cost growth rate £'000	1.0% decrease in terminal growth rate £'000	1.0% increase in pre-tax discount rate £'000
Professional Services	58,413	2,683	5,875	42,715	36,556
Financial Services	359,724	221,890	248,456	267,219	224,559

A high-level update of the impairment review was performed at 31 December 2022 to assess whether there were any new indicators of impairment, or whether significant changes to key assumptions used at 30 September 2022 had arisen. No issues were identified.

Impairment – Other intangible assets

IAS 36 'Impairment of assets' requires management to consider, at each reporting date, whether there is any indication that an asset may be impaired. The considerable economic impacts of the Russia-Ukraine war, leading to higher inflation and slowing economic growth, could represent a potential indicator of impairment. Despite adverse market conditions during the year, the UK equity market has proven relatively resilient with higher average market levels compared to the same period in the prior year.

The value-in-use calculations prepared indicate that the value-in-use exceeds the carrying value as at 31 December 2022. However, value-in-use calculations are sensitive to changes in the key assumptions and headroom on the Towry customer lists is small; an unfavourable change in the discount rate by 1% results in a deficit of value-in-use over carrying value of £2.0 million, whilst a reduction of 1 year in the estimated useful economic life results in a deficit of £11.5 million. Management believes that the other intangible assets are unlikely to be materially impaired under any reasonable changes in assumptions.

The Group has also considered whether there have been any other indicators of impairment during the period which would require an impairment review to be performed. Based upon this review, the Group has concluded that there are no such indicators of impairment.

19. Business combinations

On 22 April 2022, the Group acquired certain assets of an Edinburgh-based independent financial adviser. Acquisition costs incurred in relation to this transaction were not material. The total consideration for the acquisition was £6.4 million. Initial cash consideration of £3.0 million was paid on completion, and the transaction also includes contingent deferred consideration that is payable in cash and is contingent on generation of future revenues. The provisional fair value of net assets acquired in the transaction, and the goodwill arising, are as follows:

	£'000
Intangible assets acquired (note 18)	5,888
Total identifiable net assets acquired	**5,888**
Total consideration satisfied by cash (including deferred consideration)	6,410
Less: net assets acquired	(5,888)
Deferred tax liability	1,445
Goodwill on acquisition (note 18)	**1,967**
Cash	3,041
Deferred consideration payable in cash	3,369
Total consideration	**6,410**
Net cash outflow arising on acquisition	
Initial consideration paid in cash	3,041

The goodwill recognised on this transaction relates to the workforce acquired and the expected synergies from integrating the business into the existing operations of the Group. The business acquired did not have a material impact on the performance of the Group in the period between the date of acquisition and the balance sheet date. No changes to the amounts recognised in relation to contingent consideration payable or the range of potential outcomes have arisen in the period since the acquisition. The key input in assessing the contingent consideration payable is the proportion of clients that transfer to the Group. The maximum contingent consideration payable before discounting is £4.1 million. If the acquisition had been completed on 1 January 2022, total operating income for the year would have been £0.7 million higher and the profit after tax would have been £0.3 million higher.

On 16 August 2022, the Group acquired certain assets of a Newcastle-based independent financial adviser. Acquisition costs incurred in relation to this transaction were not material. The total consideration for the acquisition was £3.9 million. Initial cash consideration of £2.2 million was paid on completion, and the transaction also includes contingent deferred consideration that is payable in cash and is contingent on generation of future revenues. The provisional fair value of net assets acquired in the transaction, and the goodwill arising, are as follows:

	£'000
Intangible assets acquired (note 18)	3,269
Total identifiable net assets acquired	**3,269**
Total consideration satisfied by cash (including deferred consideration)	3,890
Less: net assets acquired	(3,269)
Deferred tax liability	808
Goodwill on acquisition (note 18)	**1,429**
Cash	2,174
Deferred consideration payable in cash	1,716
Total consideration	**3,890**
Net cash outflow arising on acquisition	
Initial consideration paid in cash	2,174

The goodwill recognised on this transaction relates to the workforce acquired and the expected synergies from integrating the business into the existing operations of the Group. The business acquired did not have a material impact on the performance of the Group in the period between the date of acquisition and the balance sheet date. No changes to the amounts recognised in relation to contingent consideration payable or the range of potential outcomes have arisen in the period since the acquisition. The key input in assessing the contingent consideration payable is the proportion of clients that transfer to the Group. The maximum contingent consideration payable before discounting is £2.2 million. If the acquisition had been completed on 1 January 2022, total operating income for the year would have been £0.8 million higher and the profit after tax would have been £0.4 million higher.

The Group completed eight other acquisitions during the period. The total consideration for these transactions was £5.2 million, while total initial cash consideration was £2.7 million. These transactions were not material to the Group.

In 2021, the Group acquired 100% of the issued shares in HFS Milbourne Holdings Limited, the holding company of HFS Milbourne Financial Services Limited, a wealth management business based in Guildford with assets under management of approximately £350 million. The acquired business provides both holistic personal financial planning and investment advice, as well as corporate financial planning and employee benefits services. Acquisition costs of £0.4 million were incurred in relation to this transaction and are included within acquisition and integration costs (note 7) in the Consolidated Income Statement.

The total consideration for the acquisition was £7.7 million. Initial cash consideration of £7.5 million was paid on completion, thereafter cash of £0.2 million is payable at a later date, dependent on the utilisation of tax losses. The transaction also includes contingent deferred consideration, but the payment of this is dependent on the sellers remaining in employment, and hence this is treated as consideration for post-combination services, rather than part of the consideration transferred for the business combination. The maximum contingent deferred consideration payable is £5.5 million.

The fair value of net assets acquired in the transaction, and the goodwill arising, are as follows:

	£'000
Intangible assets acquired (note 18)	6,987
Cash and cash equivalents	726
Trade and other receivables	498
Trade and other payables	(553)
Other	36
Total identifiable net assets acquired	7,694
Total consideration satisfied by cash	7,694
Less: net assets acquired	(7,694)
Deferred tax liability	1,327
Goodwill on acquisition (note 18)	1,327
Cash	7,694
Equity	-
Total consideration	7,694
Net cash outflow arising on acquisition	
Cash consideration	7,694
Less: cash and cash equivalent balances acquired	(726)
	6,968

There are no amounts within trade and other receivables that are not expected to be collected, and hence the amounts shown represent the gross contractual amounts receivable. The goodwill recognised on this transaction relates to the workforce acquired and the expected synergies from integrating the business into the existing operations of the Group.

HFS Milbourne Financial Services Limited contributed £0.3 million operating income and £0.3 million of profit after tax to the Group for the period between the date of acquisition and 31 December 2021.

If the acquisition had been completed on 1 January 2021, total operating income for 2021 would have been £0.4 million and the profit after tax would have been £0.3 million.

The Group completed two other acquisitions during 2021. The total consideration for these transactions was £4.2 million, while a total initial cash consideration was £2.0 million. These transactions were not material to the Group.

20. Property, plant and equipment

	Short-term leasehold improve- ments £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2021	6,515	4,223	8,153	18,891
Additions	17,075	60	4,647	21,782
Acquired with subsidiary	-	46	-	46
Disposals	(51)	(817)	(1,372)	(2,240)
At 31 December 2021	**23,539**	**3,512**	**11,428**	**38,479**
Additions	**7,641**	**140**	**4,109**	**11,890**
Disposals	**-**	**(26)**	**-**	**(26)**
Other movement	**(20)**	**1**	**-**	**(19)**
At 31 December 2022	**31,160**	**3,627**	**15,537**	**50,324**
Accumulated depreciation				
At 1 January 2021	1,466	2,936	4,145	8,547
Charge for the year	742	515	2,564	3,821
Disposals	(51)	(793)	(1,372)	(2,216)
Other movement	16	-	-	16
At 31 December 2021	**2,173**	**2,658**	**5,337**	**10,168**
Charge for the year	**1,805**	**482**	**2,062**	**4,349**
Disposals	**-**	**(11)**	**-**	**(11)**
Other movement	**(31)**	**1**	**-**	**(30)**
At 31 December 2022	**3,947**	**3,130**	**7,399**	**14,476**
Carrying amount				
At 31 December 2022	**27,213**	**497**	**8,138**	**35,848**
At 31 December 2021	21,366	854	6,091	28,311

21. Right-of-use assets

	Property £'000	Equipment £'000	Total £'000
Cost			
At 1 January 2021	53,824	441	54,265
Additions	68,872	-	68,872
Disposals	(2,039)	(441)	(2,480)
Other movement	(118)	-	(118)
At 31 December 2021	120,539	-	120,539
Additions	10,566	-	10,566
Disposals	(23,599)	-	(23,599)
Other movement	102	-	102
At 31 December 2022	107,608	-	107,608
Accumulated depreciation			
At 1 January 2021	25,220	413	25,633
Charge for the year	12,545	28	12,573
Disposals	(1,587)	(441)	(2,028)
Other movement	62	-	62
At 31 December 2021	36,240	-	36,240
Charge for the year	12,979	-	12,979
Disposals	(22,822)	-	(22,822)
Other movement	90	-	90
At 31 December 2022	26,487	-	26,487
Carrying amount			
At 31 December 2022	81,121	-	81,121
At 31 December 2021	84,299	-	84,299

Additions to right-of-use assets include the recognition of leases in respect of new premises in Glasgow of £8.0 million and Belfast of £1.4 million. Disposals to right-of-use assets include the de-recognition of leases due to the head office relocation as detailed below.

Head office relocation

In 2019, the Group entered into five agreements for the leasing of office space at 45 Gresham Street, London for a term of 15 years. The commencement date for the leases was 25 March 2021. In accordance with IFRS 16 'Leases', on commencement date the Group recognised a right-of-use asset and lease liability of £60.8 million, with depreciation and interest costs charged to the Consolidated Income Statement over the lease term. The initial measurement of the right-of-use asset was increased by initial direct costs incurred of £1.3 million and a dilapidation provision of £2.2 million.

Costs incurred as a result of the decision to move the head office to 45 Gresham Street were as follows:

	2022 £'000	2021 £'000
Depreciation of right-of-use assets for 45 Gresham Street, prior to occupancy	1,787	3,216
Service charges for 45 Gresham Street, prior to occupancy	428	635
Professional and other costs	53	74
	2,268	3,925

Works began in May 2021 to fit-out the new head office and the move from all four London locations, namely, 25 Moorgate, 10 Moorgate, 6 New Street Square and 6 Chesterfield Gardens, which completed in May 2022.

22. Interests in associates

	2022 £'000	2021 £'000
At 1 January	5,646	5,163
Dilution of investment holding	(90)	(29)
Share of profit after tax	1,256	680
Dividend received	(343)	(133)
Impairment of investment in associate	(17)	-
Currency translation adjustment	570	(35)
At 31 December	7,022	5,646

Interests in associates at the balance sheet date include goodwill of £2.3 million (2021: 2.1 million). Activities of the associates are similar to in the Group's Professional Services business and, as such, the Group's share of profit before tax of £1.3 million (2021: £0.7 million) is disclosed within operating income in the Consolidated Income Statement. A tax charge for the year of £0.1 million (2021: £0.1 million) is included in the total tax charge detailed in note 16.

The table below summarises the Group's share of assets, liabilities and results of associates as at 31 December 2022.

Name of associate	Nature of business	Country of incorporation	Non-current assets £'000	Current assets £'000	Non-current liabilities £'000	Current liabilities £'000	Revenue £'000	Profit after tax £'000	% interest held
CLA Global TS Holdings Pte. Ltd.[1,2]	Accountancy	Singapore	940	5,382	374	1,928	4,578	1,256	49.99
Nexia China Pte Limited[3]	Management	Singapore	-	-	-	-	-	-	-

1. Registered office is 80 Robinson Road, #25-00 Singapore 068898
2. Previously Nexia TS Pte Ltd
3. Liquidated in October 2022

The table below summarises the Group's share of assets, liabilities and results of associates as at 31 December 2021.

Name of associate	Nature of business	Country of incorporation	Non-current assets £'000	Current assets £'000	Non-current liabilities £'000	Current liabilities £'000	Revenue £'000	Profit after tax £'000	% interest held
Nexia TS Pte Ltd	Accountancy	Singapore	993	4,386	582	1,578	3,762	680	49.53%
Nexia China Pte Ltd	Management	Singapore	-	11	-	-	-	-	20.00%

The assumptions used in the goodwill impairment review for the aggregated value of the associates are included in note 18.

23. Derivative financial instruments

	2022 £'000	2021 £'000
Financial assets carried at fair value through profit or loss (FVTPL):		
Held for trading derivatives that are not designated in hedge accounting relationships:		
Interest rate cap	-	44

Derivative financial instruments are all classified as level 2 under the fair value hierarchy. Further details of derivative financial instruments are provided in note 38.

The interest rate cap matured on 31 December 2022.

24. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash and bank balances	207,942	217,322

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

25. Settlement balances – assets

	2022 £'000	2021 £'000
Market and client balances	9,477	10,083

Market and client balances relate to the Group's Fund Solutions business where balances are receivable from clients and brokers in respect of unsettled trades.

26. Trade and other receivables

	2022 £'000	2021 £'000
Amounts falling due within one year		
Amount receivable for services rendered (gross)	36,666	36,206
Less: specific provision – lifetime ECL credit impaired (note 27)	(2,050)	(1,220)
Less: collective provision – lifetime ECL not credit impaired (note 27)	(244)	(166)
Amount receivable for services rendered (net)	34,372	34,820
Amounts owed by parent undertakings	31,984	15,925
Loans to third parties	116	116
Net investment in subleases	326	513
Other debtors	26,251	17,705
Prepayments	16,812	16,096
Accrued income	107,192	91,172
	217,053	176,347
Amounts falling due after more than one year		
Loans to third parties	1,855	1,925
Other debtors	972	972
Accrued income	246	182
	3,073	3,079
Total trade and other receivables	220,126	179,426

Receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of receivables.

Other debtors include balances with off-balance sheet client accounts of £9.8 million (2021: 7.7 million) and amounts owed to related parties of £11.6 million (2021: £6.6 million).

The Group has entered into sublease arrangements over office properties as an intermediate lessor that are considered to be finance leases. Finance income on the net investment in subleases for the year ended 31 December 2022 was £0.01 million (2021: £0.02 million). The maturity analysis of the net investment in subleases, including the undiscounted lease payments to be received are as follows:

	2022 £'000	2021 £'000
Less than 1 year	199	199
1-2 years	136	199
2-3 years	-	138
3-4 years	-	-
4-5 years	-	-
Total undiscounted lease payments receivable	335	536
Unearned finance income	(14)	(23)
Net investment in the lease	321	513

27. Provision for doubtful debts

	2022 £'000	2021 £'000
Specific provision for doubtful debts – lifetime ECL credit impaired	2,050	1,220
Collective provision for doubtful debts – lifetime ECL not credit impaired	244	166
Total provision for doubtful debts	2,294	1,386

The movement in the allowance for impairment in respect of financial assets was as follows:

	Lifetime ECL credit impaired £'000	Lifetime ECL not credit impaired £'000	Total £'000
At 1 January 2021	1,756	234	1,990
Bad debts written off	(482)	-	(482)
Credit to income statement	(54)	(68)	(122)
At 31 December 2021	1,220	166	1,386
Bad debts written off	(134)	-	(134)
Charge to income statement	964	78	1,042
At 31 December 2022	2,050	244	2,294

Bank deposits were held with high quality financial institutions. ECLs on bank deposits have not been recognised as they are not material in nature.

Any reasonable changes to trade receivable lifetime ECLs, primarily due to forward-looking information, were not materially different to historic actual credit loss experienced over the last two years.

28. Equity investment securities designated at FVOCI

	2022 £'000	2021 £'000
Equity securities - listed (level 1)	404	461
Equity securities - unlisted (level 3) (see below)	3,242	3,543
	3,646	4,004

	2022 £'000	2021 £'000
Level 3 equity securities		
At 1 January	3,543	11,854
Additions	149	-
Disposal	-	(8,687)
Dividend recognised as deemed buyback of shares	(857)	-
Net changes in fair values	407	376
At 31 December	3,242	3,543

Fair value estimation

The disclosure of fair value measurements by level is based on the following hierarchy:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

There have been no transfers between level 1, level 2 and level 3 recurring fair value measurements during the year.

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

Unlisted investments include the Group's holding in CG Asset Management Limited and Euroclear plc for which no observable market data is available as to their values.

During the year, approval of the planned annual buyback of CG Asset Management Limited B Shares was delayed by the FCA. Instead, a dividend of £0.9 million was paid equal to the value of shares intended to be bought back plus interest, and the fair value of the shares was reduced by a similar amount. For accounting purposes, the dividend represents a recovery of part of the cost of investment and therefore, in accordance with IFRS 9 guidance, the dividend is recognised in other comprehensive income, rather than profit or loss, as a deemed buyback. At the balance sheet date, the Group held a non-controlling equity interest of 6,489 B shares and 3,631 C shares in CG Asset Management Limited which is valued on an earnings yield basis. The Group has used a 9.1x multiple (2021: 9.1x multiple), which is deemed appropriate considering the nature and size of CG Asset Management Limited. This multiple was used to determine any share or dividend transactions which took place during the year. There were no indications that the multiple changed during the year.

In 2021, the Group sold its entire non-controlling equity interest of 5,427 shares in Euroclear plc for a cash consideration of €9.1 million (£7.9 million converted to GBP). This investment was held as a long-term strategic investment and therefore classified as equity investment securities designated at fair value through other comprehensive income. In line with the Group's accounting policy, changes in fair value of the investment are measured at fair value through other comprehensive income and are not subsequently transferred to profit or loss.

The earnings yield calculations are sensitive to changes in the key assumptions, the impact of which is set out in the table below:

	Decrease of 1% in earnings yield £'000	Increase of 1% in earnings yield £'000
CG Asset Management Limited	227	(189)

29. Borrowings

	2022 £'000	2021 £'000
Unsecured borrowing at amortised cost and due within one year		
Loans from parent undertakings	22	-

The principal features of the Group's borrowings are as follows:

- In 2022, an intercompany loan was created with a value of £22,000 between Violin Debtco Guernsey Limited and Evelyn Partners Group Limited. This was a non-cash transaction relating to the ongoing project to simplify the organisational structure of the Group. The loan is non-interest bearing and repayable on demand.
- An intercompany loan with a value of £25.0 million was created in 2020 between Violin Debtco Guernsey Limited and Evelyn Partners Group Limited in relation to a revolving credit facility novated to Violin Debtco Guernsey Limited following completion of the merger with Smith & Williamson. The loan, which carried an interest rate between 3.25% and 3.75% above 3 months LIBOR, was repaid in December 2021. Further to this, an intercompany loan with a value of £3.5 million, at an interest rate of 5% above 3 months LIBOR, was repaid in March 2021.
- The discount rates used to measure the present value of the lease liabilities are based on the Group's borrowing costs at the date of inception of each lease, after adjusting for the term of the lease and the level of security available.

The weighted average interest rates paid during the year were as follows:

	2022 %	2021 %
Loans from parent company - £25.0 million	-	3.3187
Loans from parent company - £3.5 million	-	5.0255
Lease payments	2.9853	3.0660

Below is a reconciliation of movements of liabilities to cash flows arising from financing activities.

	Loans from parent entities £'000	Lease liabilities £'000	Total £'000
At 1 January 2022	-	85,045	85,045
Changes from financing cash flows			
Payments of lease liabilities	-	(7,886)	(7,886)
	-	(7,886)	(7,886)
Other non-cash changes			
Interest expense	-	2,500	2,500
New lease recognised	-	7,624	7,624
Issue of loan	22	-	22
	22	10,124	10,146
At 31 December 2022	22	87,283	87,305

	Loans from parent entities £'000	Lease liabilities £'000	Total £'000
At 1 January 2021	28,500	30,129	58,629
Changes from financing cash flows			
Repayments of borrowings	(25,000)	-	(25,000)
Payments of lease liabilities	-	(11,143)	(11,143)
	(25,000)	(11,143)	(36,143)
Other non-cash changes			
Interest expense	-	2,269	2,269
New lease recognised	-	63,790	63,790
Issue of shares	(3,500)	-	(3,500)
	(3,500)	66,059	62,559
At 31 December 2021	-	85,045	85,045

30. Settlement balances – liabilities

	2022 £'000	2021 £'000
Other items in the course of settlement	8,965	9,793

Other items in the course of settlement relate to the Group's Fund Solutions business where balances are payable to clients and brokers in respect of unsettled trades.

31. Trade and other payables

	2022 £'000	2021 £'000
Trade creditors	4,577	2,459
Amounts owed to parent undertakings	6,732	6,118
Other taxes and social security	16,956	18,036
Other creditors	7,018	7,037
Accruals and deferred income	81,911	84,436
Amounts due to individual members of partnerships	57,035	54,873
	174,229	172,959

Amounts in other creditors include £4.5 million of fees payable by the Group's Fund Solutions business to investment managers (2021: £3.6 million).

Amounts due to individual members of partnerships include B capital contributions received of £14.4 million (2021: £14.1 million) from individual members of the Group's LLP subsidiaries which are repayable on retirement from the relevant LLP.

32. Provisions

	2022 £'000	2021 £'000
Indemnity clawbacks	–	35
Contingent consideration	10,844	4,817
Client redress	80	80
Tax accelerated payment notices	1,019	838
Dilapidations	11,423	9,799
Vacant property	–	395
Professional indemnity	859	426
Contract termination	–	1,188
	24,225	17,578
Current	10,044	2,539
Non-current	14,181	15,039
	24,225	17,578

	Indemnity clawbacks £'000	Contingent considera-tion £'000	Client redress £'000	Accelera-ted payment notices £'000	Dilapida-tions £'000	Vacant property £'000	Professio-nal Indemnity £'000	Contract termination £'000	Total £'000
At 1 January 2022	35	4,817	80	838	9,799	395	426	1,188	17,578
New provisions recognised	-	9,885	-	181	1,940	-	1,140	2,239	15,385
Utilisation of provision	(30)	(4,590)	(72)	-	(514)	(53)	(708)	(3,401)	(9,368)
Charge/(credit) to income statement	(5)	732	72	-	198	(342)	1	(26)	630
At 31 December 2022	-	10,844	80	1,019	11,423	-	859	-	24,225
Current	-	9,105	80	-	-	-	859	-	10,044
Non-current	-	1,739	-	1,019	11,423	-	-	-	14,181
	-	10,844	80	1,019	11,423	-	859	-	24,225

	Indemnity clawbacks £'000	Contingent considera-tion £'000	Client redress £'000	Accelera-ted payment notices £'000	Dilapida-tions £'000	Vacant property £'000	Professio-nal Indemnity £'000	Contract termination £'000	Total £'000
At 1 January 2021	53	1,412	451	838	6,902	649	571	-	10,876
New provisions recognised	-	4,367	-	-	3,003	-	348	1,188	8,906
Utilisation of provision	-	(900)	(371)	-	(133)	(254)	(493)	-	(2,151)
Charge/(credit) to income statement	(18)	(62)	-	-	27	-	-	-	(53)
At 31 December 2021	35	4,817	80	838	9,799	395	426	1,188	17,578
Current	-	450	80	-	-	395	426	1,188	2,539
Non-current	35	4,367	-	838	9,799	-	-	-	15,039
	35	4,817	80	838	9,799	395	426	1,188	17,578

- **Contingent consideration** – this relates to earn-out payments in respect of various wealth management businesses. Amounts are expected to be payable between 2023 and 2024.
- **Client redress** – this relates to legacy issues in acquired businesses that may give rise to compensation payments over a number of years in the future.
- **Accelerated payment notices** – these relate to notices that may be issued by HMRC to companies that were acquired in 2016, in relation to periods prior to the acquisition of the Ingenious group in April 2016. The timing of any such notices is uncertain, and to the extent that notices are not issued, this amount will be payable to the vendor of the companies acquired.
- **Dilapidations** - the Group is responsible for restoring leased properties to the condition they were in when first leased by the Group, when the leases held expire. A dilapidations provision is recognised for the expected costs relating to this, based on third party assessments and internal estimates.
- **Vacant property** - the Group decided to vacate one of its London offices in 2020, due to space becoming available in other London locations. The lease on this property ran until September 2022, and the costs of running these premises for this period had been provided in full.
- **Professional indemnity** - in common with many professional practices the Group may become subject to claims from various parties or possible penalties from regulatory bodies. Any such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Group incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a professional indemnity provision is established to the Group's best estimate of the amount required to settle the obligation at the balance sheet date.
- **Contract termination** - the Group is in the process of migrating certain assets from external custody platforms onto Avaloq, in-house custody. The external custodian contract ran until June 2022 and the Group was liable to continue paying custody fees in respect of migrated assets until this date.

The unwinding effect of discounting provisions are not considered material and therefore no such disclosures have been made.

33. Lease liabilities

The Group's leases include property and equipment. These right-of-use assets are disclosed in note 21.

Information about leases for which the Group is a lessee is presented below.

	2022 £'000	2021 £'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	4,971	8,708
In the second to fifth years inclusive	47,854	39,234
After more than five years	32,182	54,327
Total undiscounted lease liabilities at 31 December	85,007	102,269

	2022 £'000	2021 £'000
Lease liabilities included in the Balance Sheet at 31 December		
Current	2,379	6,228
Non-current	84,904	78,817
	87,283	85,045

	2022 £'000	2021 £'000
Amounts recognised in the Income Statement		
Interest on lease liabilities	2,500	2,269

	2022 £'000	2021 £'000
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	7,886	11,143

During the year ended 31 December 2022, lease payments relating to short-term leases amounted to £0.1 million (2021: £0.1 million) and lease payments relating to low value assets amount to £nil (2021: £0.1 million).

Future cash outflows in periods after the date on which an extension option or termination option may be exercised are only included in lease liabilities if it is reasonably certain that a lease will be extended or will not be terminated.

At the balance sheet date, the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising break clauses because it was considered reasonably certain that the Company would not exercise its right to exercise any right to break the lease. Total lease payments of £2.6 million (2021: £4.0 million) are potentially avoidable were the group to exercise break clauses at the earliest opportunity.

34. Net deferred tax liabilities

	Decelerated capital allowances £000	Retirement benefit obligations £000	Tax losses £000	Intangible assets £000	Equity investment securities designated at FVOCI £000	Other temporary differences £000	Total £000
At 1 January 2021	1,836	30	1,286	(106,223)	(1,503)	1,248	(103,326)
Acquired with subsidiary	(9)	-	-	(2,262)	-	-	(2,271)
Tax rate change	691	(47)	276	(26,199)	(6)	238	(25,047)
Adjustment in respect of prior year	32	(180)	-	(1,551)	-	(765)	(2,464)
(Debit)/credit to income statement	(413)	12	(276)	17,191	-	370	16,884
(Debit)/credit to other comprehensive income	-	(2,318)	-	-	4	-	(2,314)
Credit to equity	-	-	-	-	1,485	-	1,485
At 31 December 2021	2,137	(2,503)	1,286	(119,044)	(20)	1,091	(117,053)
Acquired with business	-	-	-	(3,526)	-	-	(3,526)
Tax rate change	47	-	-	-	2	318	367
Adjustment in respect of prior year	219	2	-	(3,062)	-	(398)	(3,239)
Credit/(debit) to income statement	130	(36)	196	11,687	-	(444)	11,533
Debit to other comprehensive income	-	(325)	-	-	(544)	-	(869)
Credit to equity	-	-	-	-	-	-	-
At 31 December 2022	2,533	(2,862)	1,482	(113,945)	(562)	567	(112,787)

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022 £'000	2021 £'000
Deferred tax liabilities	(117,369)	(121,567)
Deferred tax assets	4,582	4,514
Net deferred tax liabilities	(112,787)	(117,053)

At the balance sheet date, the deferred tax asset not recognised in the financial statements calculated at 25% (2021: 25%) due to uncertainty of realisation, is as follows:

	2022 £'000	2021 £'000
Decelerated capital allowances	3,053	3,413
Tax losses	65,650	66,053
Other temporary differences	25	-
	68,728	69,466

35. Retirement benefit assets

Summary of retirement benefits recognised on the Balance Sheet

	2022 £'000	2021 £'000
Tilney Scheme assets	3,367	7,110
NCL Scheme assets	7,985	2,936
S&W Scheme assets/(liabilities)	90	(44)
	11,442	10,002
Annuities	(464)	(527)
Net retirement benefit assets	**10,978**	9,475

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees in the Group. The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

The Group is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in the profit and loss account of £11.9 million (2021: £12.6 million) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. At the balance sheet date, contributions of £1.8 million (2021: £1.4 million) due in respect of the current reporting period had not been paid over to the schemes.

Defined benefit schemes

The Group operates three defined benefit pension schemes in the UK: The Tilney Scheme, the NCL Scheme and the S&W Scheme.

Tilney Scheme

The Tilney Scheme is an HMRC registered pension scheme and is subject to standard UK pensions and tax law. Details of the benefits provided by the Tilney Scheme are set out in the Trust Deed and Rules dated 18 March 2011. The scheme is closed to new members.

The disclosures in these accounts below are based on calculations carried out at the balance sheet date by Capita Pension Solutions Limited, a qualified independent actuary.

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

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

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

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

At the balance sheet date, contributions are payable to the Tilney Scheme at the rates specified in the Schedule of Contributions signed by the Group and the Trustees on 16 December 2014. Contributions for the year amounted to £0.1 million (2021: £0.1 million).

The NCL and S&W Schemes

The Group acquired the NCL and S&W Schemes following the acquisition of Smith & Williamson in 2020 (see note 19). Both schemes are closed to new members.

The most recent actuarial valuations of these schemes were carried out at the balance sheet date by HS Actuarial LLP, a qualified independent actuary. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method. The assets of the NCL Scheme are managed by a subsidiary of the Group, Evelyn Partners Investment Management LLP.

Principal assumptions

The principal assumptions are calculated by two independent actuaries: Capita Pension Solutions Limited for the Tilney Scheme and HS Actuarial LLP for the NCL and S&W Schemes. Therefore, while assumptions may vary, they are not materially different to the overall valuation of each scheme. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Tilney Scheme		NCL Scheme		S&W Scheme	
	2022 % p.a.	2021 % p.a.	**2022 % p.a.**	2021 % p.a.	**2022 % p.a.**	2021 % p.a.
Rate of increase in salaries	**3.2**	3.4	**3.2**	3.6	**-**	-
Discount rate	**4.9**	1.9	**4.6**	1.9	**4.6**	1.9
RPI inflation rate	**3.2**	3.4	**3.2**	3.6	**3.2**	3.6
CPI inflation rate	**2.4**	2.6	**-**	-	**-**	-
Rate of increase to deferred pensions in excess of the GMP	**-**	-	**3.2**	3.6	**2.9**	3.1
Pension increase assumption					**Fixed at 0% or 3%**	Fixed at 0% or 3%
- RPI capped at 5% p.a.	**3.1**	3.2	**3.1**	3.5	**-**	-
- RPI capped at 3% p.a.	**-**	-	**2.5**	2.6	**-**	-

The assumed life expectancy for the membership of the Tilney Scheme was based upon the standard tables known as S3PxA CMI 2021 with an IAMI of 0.5% per annum and a long-term rate of improvement of 1.25% per annum. In 2021, assumptions were based upon the standard tables known as S3PxA CMI 2020 with an IAMI of 0.5% per annum and a long-term rate of improvement of 1.25% per annum. The life expectancy for a current 65 year old male is 22 years (2021: 22 years) and a 65 year old female is 25 years (2021: 25 years).

The assumed life expectancy for the membership of the NCL and S&W Schemes was based upon the standard tables known as S3NMA x 105% for males and S3NFA x 110% for females using the CMI_2021 projection based on year of birth and with a long-term rate of improvement of 1% per annum. In 2021, assumptions were based upon the standard tables known as S3NMA x 105% for males and S3NFA x 110% for females using the CMI_2020 projection based on year of birth and with a long-term rate of improvement of 1% per annum. The life expectancy for a current 65 year old male is 22 years (2021: 22 years) and a 65 year old female is 24 years (2021: 24 years).

The amounts included in the Consolidated Balance Sheet are as follows:

	Tilney Scheme		NCL Scheme		S&W Scheme		Total	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fair value of scheme assets:								
Equities and property	5,293	21,183	15,967	17,050	-	-	21,260	38,233
Bonds	12,323	14,448	3,997	3,535	-	-	16,320	17,983
Other assets	20,815	26,216	2,135	3,958	578	640	23,528	30,814
Cash	1,066	3,530	947	1,207	33	33	2,046	4,770
Insured annuities	-	-	-	-	638	1,012	638	1,012
	39,497	65,377	23,046	25,750	1,249	1,685	63,792	92,812
Present value of defined benefit obligations	(36,130)	(58,267)	(15,061)	(22,814)	(1,159)	(1,729)	(52,350)	(82,810)
Surplus/(deficit) in scheme	3,367	7,110	7,985	2,936	90	(44)	11,442	10,002
Amounts not recognised due to effect of asset ceiling	-	-	-	-	-	-	-	-
Asset/(liability)	3,367	7,110	7,985	2,936	90	(44)	11,442	10,002

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

	Tilney Scheme		NCL Scheme		S&W Scheme		Total	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
At 1 January	58,267	62,320	22,814	23,586	1,729	1,896	82,810	87,802
Current service cost	85	111	-	-	-	-	85	111
Interest on funded obligation	1,066	774	420	300	32	24	1,518	1,098
Actuarial (gains)/losses arising from:								
Financials	(22,985)	(2,920)	(7,700)	(732)	(165)	(47)	(30,850)	(3,699)
Demographics	98	(605)	(14)	(13)	26	-	110	(618)
Experience	1,390	(58)	436	355	(51)	5	1,775	302
Employee contribution	10	12	-	-	-	-	10	12
Benefits paid	(1,801)	(1,367)	(895)	(682)	(38)	(44)	(2,734)	(2,093)
Change of insured annuities	-	-	-	-	(374)	(105)	(374)	(105)
At 31 December	36,130	58,267	15,061	22,814	1,159	1,729	52,350	82,810

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

	Tilney Scheme		NCL Scheme		S&W Scheme		Total	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
At 1 January	65,377	62,348	25,750	24,411	1,685	1,821	92,812	88,580
Remeasurement of defined benefit asset:								
Interest income	1,195	772	476	311	31	23	1,702	1,106
Return on scheme asset (excluding amounts included in interest income)	(25,327)	3,557	(2,285)	1,710	(55)	(10)	(27,667)	5,257
Employer contribution	43	55	-	-	-	-	43	55
Employee contribution	10	12	-	-	-	-	10	12
Benefits paid	(1,801)	(1,367)	(895)	(682)	(38)	(44)	(2,734)	(2,093)
Change of insured annuities	-	-	-	-	(374)	(105)	(374)	(105)
At 31 December	39,497	65,377	23,046	25,750	1,249	1,685	63,792	92,812

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

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

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

The amounts included in the Consolidated Income Statement, within operating expenses, are as follows:

	Tilney Scheme		NCL Scheme		S&W Scheme		Total	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Current service cost	85	111	-	-	-	-	85	111
Net interest	(129)	2	(56)	(11)	1	1	(184)	(8)
	(44)	113	(56)	(11)	1	1	(99)	103

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

	Tilney Scheme		NCL Scheme		S&W Scheme		Total	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Remeasurement loss/(gain) during the year	3,830	(7,140)	(4,993)	(2,100)	(135)	(32)	(1,298)	(9,272)
Surplus in scheme – asset ceiling adjustment	-	-	-	-	-	-	-	-
Net remeasurement of defined benefit assets before tax	3,830	(7,140)	(4,993)	(2,100)	(135)	(32)	(1,298)	(9,272)
Deferred tax on actuarial reserve (note 34)	(957)	1,787	1,248	636	34	93	325	2,516
Deferred tax on surplus on scheme	-	-	-	-	-	-	-	-
Actuarial loss/(gain)	2,873	(5,353)	(3,745)	(1,464)	(101)	61	(973)	(6,756)

It is currently estimated that the sponsoring employers of the defined benefit schemes will contribute approximately £0.031 million to the schemes in the coming year.

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

At 31 December 2022, the summary of the sensitivities in respect of the three schemes set out below are as follows:

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

	Assets £'000	Liabilities £'000	Surplus/ (deficit) £'000	Increase/ (decrease) in surplus £'000
NCL Scheme				
Effect of change in assumptions:				
No change	23,046	15,061	7,985	–
0.25% rise in discount rate	23,046	14,621	8,425	440
0.25% fall in discount rate	23,046	15,525	7,521	(464)
0.25% rise in inflation	23,046	15,421	7,625	(360)
0.25% fall in inflation	23,046	14,735	8,311	326

	Assets £'000	Liabilities £'000	Surplus/ (deficit) £'000	Increase/ (decrease) in surplus £'000
S&W Scheme				
Effect of change in assumptions:				
No change	1,249	1,159	90	–
0.25% rise in discount rate	1,241	1,139	102	12
0.25% fall in discount rate	1,259	1,179	80	(10)
0.25% rise in inflation	1,249	1,159	90	–
0.25% fall in inflation	1,249	1,159	90	–

At 31 December 2021, the summary of the sensitivities in respect of the three schemes set out below are as follows:

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

	Assets £'000	Liabilities £'000	Surplus/ (deficit) £'000	Increase/ (decrease) in surplus £'000
NCL Scheme				
Effect of change in assumptions:				
No change	25,750	22,814	2,936	-
0.25% rise in discount rate	25,750	21,924	3,826	890
0.25% fall in discount rate	25,750	23,760	1,990	(946)
0.25% rise in inflation	25,750	23,490	2,260	(676)
0.25% fall in inflation	25,750	22,137	3,613	677

	Assets £'000	Liabilities £'000	Surplus/ (deficit) £'000	Increase/ (decrease) in surplus £'000
S&W Scheme				
Effect of change in assumptions:				
No change	1,685	1,729	(44)	-
0.25% rise in discount rate	1,685	1,693	(8)	36
0.25% fall in discount rate	1,685	1,767	(82)	(38)
0.25% rise in inflation	1,685	1,729	(44)	-
0.25% fall in inflation	1,685	1,729	(44)	-

Funding arrangements

The Tilney Scheme

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

The NCL Scheme

The trustees use the projected unit funding method to fund the scheme. The last full triennial actuarial valuation was undertaken as at 31 December 2021. No contributions are currently required from the employer.

The S&W Scheme

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

The main risks for the schemes are:

Investment return risk	If the assets underperform the returns assumed in setting the funding targets then additional contributions may be required at subsequent valuations.
Investment match risk	The schemes invest in equities, whereas the funding targets are closely related to the returns on bonds. If equities fall in value relative to the matching asset of bonds, additional contributions may be required.
Longevity risk	If future improvements in longevity exceed the assumptions made for scheme funding, then additional contributions may be required.

Retirement benefit annuities

Annuities relate to the Group's estimated liability to certain spouses of former Partners of the legacy Smith & Williamson Group.

An analysis of the changes in the present value of obligations is as follows:

	2022 £'000	2021 £'000
At 1 January	**527**	616
Interest cost	**3**	2
Foreign exchange gain/(loss)	**22**	(33)
Actuarial loss	**50**	74
Benefits paid	**(138)**	(132)
At 31 December	**464**	527

36. Share capital and share premium

The Company has one class of ordinary shares which carry no right to fixed income. Ordinary shares have a par value of 10 pence per share. All issued shares are fully paid.

The following movements in issued share capital and share premium occurred during the year:

	Number of shares '000	Share Capital £'000	Share premium £'000
At 1 January 2021	10,416,539	1,041,654	-
Issue of ordinary shares	92,400	9,240	51,660
At 31 December 2021	10,508,939	1,050,894	51,660
Issue of ordinary shares	-	-	-
At 31 December 2022	10,508,939	1,050,894	51,660

On 4 August 2021, 92,400,000 ordinary shares were issued to the Company's parent undertaking at that time, Violin Equityco Limited, for total consideration of £60.9 million, out of which:

- 35,000,000 ordinary shares were issued at nominal value as a non-cash consideration for the release of a £3.5 million loan owed to Violin Equityco Limited, and
- 57,400,000 ordinary shares were issued at £1.0 per share amounting to £57.4 million in aggregate as a non-cash consideration satisfied by transfer of receivables from Violin Equityco Limited to the Company (of a total value of £57.4 million) in accordance with a deed of assignment and subscription dated 4 August 2021.

On 10 November 2021, 100% of the ordinary shares of the Company were transferred from Violin Equityco Limited to Violin Debtco Guernsey Limited in connection with a re-organisation of the Group. As a result, the immediate parent undertaking of the Company changed to Violin Debtco Guernsey Limited. As part of the re-organisation, Violin Equityco Limited and three further intermediate holding companies were moved out of the main holding structure, and have subsequently been placed into liquidation. The issue of 57,400,000 ordinary shares had the effect of transferring capital from the companies that were to be moved out of the structure into the Company, ensuring that regulatory capital was not reduced as a result of the re-organisation.

37. Share-based payments

The Group recognised a charge of £5.0 million (2021: 2.1 million) in relation to equity settled share-based payment transactions.

Awards are made under either the Evelyn Partners Group Deferred Option Plan, or the Evelyn Partners Investment Management LLP Deferred Award Plan and the Evelyn Partners LLP Deferred Award Plan. The options are granted using A ordinary shares in Symmetry Topco Guernsey Limited, a parent company of the Group, and LLP awards are granted using LLP share units in the Group's subsidiaries, Evelyn Partners Investment Management LLP and Evelyn Partners LLP. The options are settled by the Evelyn Partners Employee Benefit Trust. The LLP awards will be settled in LLP share units. Both the options and the LLP awards are subject to the participant still being in the Group's employment, or an individual member of an LLP, at the end of the vesting period. Further details of each plan are set out below.

The Group's employing entities recognise a share-based payment charge as they receive the benefit of the employee or Partner services. The awards are accounted for as an equity-settled share-based payment and the charge is based on the fair value of the award calculated at grant date.

At the balance sheet date, the Group had the following share-based payment arrangements:

Evelyn Partners Group Deferred Option Plan

Under the terms of the Evelyn Partners Group Deferred Option Plan (Deferred), certain employees held options to acquire A ordinary shares in Symmetry Topco Guernsey Limited as detailed below.

Grant date	Exercise price	2022 number	2021 number
December 2020	£nil	972,200	1,025,773
October 2021	£nil	660,082	734,710
December 2021 with performance conditions	£nil	320,271	388,208
April 2022	£nil	2,267,816	-
July 2022	£nil	17,730	-
October 2022	£nil	160,522	-

These options are ordinarily exercisable three years from grant. There are no attached performance conditions other than those indicated as such in the table above and explained below.

Performance conditions

Awards with performance conditions are linked to assets under management (AUM). These awards are adjusted by multiplying the maximum number of shares that an individual can receive by 'AUM Retained', being the value of AUM transferred which remains as assets under management of the Group, divided by 'AUM transferred', being AUM as at the date of grant. If AUM Retained is greater than AUM Transferred, the adjusted award will be deemed to be an amount equal to the maximum number of shares that an individual can receive. The Evelyn Partners Remuneration Committee may, at its discretion and in a manner in which it determines, increase adjusted awards.

Evelyn Partners Investment Management LLP Deferred Award Plan

Under the terms of the Evelyn Partners Investment Management LLP Deferred Award Plan (Deferred), certain Partners held options to acquire share units in Evelyn Partners Investment Management LLP as detailed below.

Grant date	Exercise price	2022 number	2021 number
June 2021	£nil	2,659,922	2,725,513
October 2021	£nil	2,025,680	2,042,098
April 2022	£nil	1,388,416	-
June 2022	£nil	29,116	-
October 2022	£nil	8,866	-

These awards are ordinarily exercisable three years from grant. There are no attached performance conditions.

Evelyn Partners Investment Management LLP share units may be exchanged for Symmetry Topco Guernsey Limited A ordinary shares on a one-for-one basis once vested.

Evelyn Partners LLP Deferred Award Plan

Under the terms of the Evelyn Partners LLP Deferred Award Plan (Deferred), certain Partners held options to acquire share units in Evelyn Partners LLP as detailed below.

Grant date	Exercise price	2022 number	2021 number
June 2021	£nil	1,819,159	1,943,760
October 2021	£nil	1,328,632	1,415,573
April 2022	£nil	997,391	-

These awards are ordinarily exercisable three years from grant. There are no attached performance conditions.

Evelyn Partners LLP share units may be exchanged for Symmetry Topco Guernsey Limited A ordinary shares on a one-for-one basis once vested.

Details of share awards outstanding for the plans are as follows:

	Evelyn Partners Group Deferred Option Plan number	Evelyn Partners Investment Management LLP Deferred Award Plan number	Evelyn Partners LLP Deferred Award Plan number	Total number
At 1 January 2021	1,073,668	-	-	1,073,668
Granted during the year	1,122,918	4,767,611	3,359,333	9,249,862
Exercised during the year	(207)	-	-	(207)
Lapsed during the year	(47,688)	-	-	(47,688)
At 31 December 2021	2,148,691	4,767,611	3,359,333	10,275,635
Granted during the year	2,532,930	1,429,944	1,003,065	4,965,939
Exercised during the year	-	(46,766)	(49,167)	(95,933)
Lapsed during the year	(283,000)	(38,789)	(168,049)	(489,838)
At 31 December 2022	4,398,621	6,112,000	4,145,182	14,655,803

Assumptions

The expected life of the options is 3 years. An assumed attrition rate of 3% per annum is applied to the awards.

The fair value of awards is reduced by the present value of dividends expected to be paid during the vesting period. There are no future plans for dividend payments, therefore an expected dividend yield of 0% has been used.

The share price volatility is irrelevant as the exercise price for deferred share awards is £nil.

38. Financial risk management

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

Categories of financial instruments

The Group classifies its financial assets into those measured at fair value through profit or loss, amortised cost and those measured at fair value through other comprehensive income. All financial liabilities are held at amortised cost.

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

31 December 2022	Fair value through profit or loss £'000	Fair value through other comprehensive income £'000	Amortised cost £'000	Total £'000
Financial assets measured at fair value				
Equity investment securities designated at FVOCI				
- Unlisted equity investments	-	3,242	-	3,242
- Listed equity investments	-	404	-	404
	-	3,646	-	3,646
Financial assets not measured at fair value				
Trade and other receivables	-	-	203,314	203,314
Settlement balances – assets	-	-	9,477	9,477
Cash and cash equivalents	-	-	207,942	207,942
	-	-	420,733	420,733
Financial liabilities not measured at fair value				
Borrowings	-	-	22	22
Settlement balances – liabilities	-	-	8,965	8,965
Trade and other payables	-	-	169,895	169,895
Lease liabilities	-	-	87,283	87,283
	-	-	266,165	266,165

31 December 2021	Fair value through profit or loss £'000	Fair value through other comprehensive income £'000	Amortised cost £'000	Total £'000
Financial assets measured at fair value				
Derivative financial instruments	44	-	-	44
Equity investment securities designated at FVOCI				
- Unlisted equity investments	-	3,543	-	3,543
- Listed equity investments	-	461	-	461
	44	4,004	-	4,048
Financial assets not measured at fair value				
Trade and other receivables	-	-	163,330	163,330
Settlement balances – assets	-	-	10,083	10,083
Cash and cash equivalents	-	-	217,322	217,322
	-	-	390,735	390,735
Financial liabilities not measured at fair value				
Borrowings	-	-	-	-
Settlement balances – liabilities	-	-	9,793	9,793
Trade and other payables	-	-	168,422	168,422
Lease liabilities	-	-	85,045	85,045
	-	-	263,260	263,260

(a) Credit risk

Credit risk represents the loss which the Group would incur if a customer or counterparty failed to perform its contractual obligations. This risk is well diversified so the Group has no significant exposure to credit risk. At the balance sheet date there were no significant concentrations of credit risk external to the Group. The exposure to credit risk is monitored on an ongoing basis.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

The primary source of credit risk arises from placing funds with banks. It is the Group's policy to place funds with a range of high quality financial institutions approved by the Board. Investments are diversified to avoid excessive exposures to individual counterparties, groups of connected counterparties or geographical location.

Information regarding measurement of ECLs, inputs, assumptions and techniques used for estimating impairment, calculation of ECLs and incorporation of forward-looking information can be found in note 3.

Cash and cash equivalents

The Group has exposures to a range of financial institutions through its cash management operations. The Group policy requires that all such exposures are only entered into with counterparties or groups of counterparties approved by the Board, or duly delegated Committee, after reference to each counterparty's Fitch rating. Exposures are monitored on a daily basis and, at the instigation of the Counterparty and Interest Rate Forum under advice to the Board or duly delegated Committee, a counterparty may be suspended and/or funds withdrawn or a holding liquidated if market conditions dictate.

Settlement balances

Settlement risk arises where payment is made or a transfer of a security is effected in the expectation of a corresponding delivery of a security or cash. The vast majority of transactions are on a delivery versus payment basis (DvP), with near immediate exchange of cash and securities. Outstanding settlement balances, both DvP and free deliveries, are monitored on a daily basis. No settlement balances were impaired at the balance sheet date (2021: £nil).

Trade and fee receivables and contract assets

Trade and fee receivables relate to fees that have been invoiced to, but not settled by, clients. The Group has policies in place to ensure that services are provided to clients with an appropriate credit history. Client invoices are typically due for payment on issue and accordingly all trade and fee receivables are disclosed past due. Where trade receivables are impaired, in view of normal client payment patterns, full provision is made against any such trade receivables. The collection of receivables is monitored by individual business lines on a monthly basis. Senior management periodically reviews, as a preventative measure, potential bad debts and takes appropriate risk mitigating action at local levels.

Professional Services

The Group applies the IFRS 9 simplified approach to measuring ECLs which uses a lifetime expected loss allowance for trade and fee receivables and contract assets. On that basis, the loss allowance at balance sheet date was determined as follows:

	2022 Expected credit loss rate	2022 £'000	2021 Expected credit loss rate	2021 £'000
Current	0.18%	21,132	0.18%	22,218
More than 30 days	0.52%	4,352	0.53%	3,489
More than 60 days	1.43%	1,893	1.65%	1,602
More than 90 days	2.73%	4,918	3.44%	2,799
Trade and fee receivables		32,295		30,108
Contract assets	0.18%	34,864	0.18%	19,110
Total trade and fee receivables and contract assets		67,159		49,218
Expected credit losses		(2,075)		(1,186)
		65,084		48,032

Maximum exposure to credit risk

The Group's on-balance sheet credit risk exposure at the balance sheet date, ignoring the value of any collateral held, amounted to £420.7 million (2021: £390.7 million). Financial guarantees of £12.7 million (2021: £12.6 million) were granted to related parties (note 42) and £nil (2021: £nil) were granted to clients. Off-balance sheet balances are shown in Liquidity Risk below. For accrued income and other receivables, the amount stated is after any provisions for impairment.

Neither past due nor impaired

Cash and cash equivalents measured at amortised cost were neither past due nor impaired and are further analysed below by reference to the Fitch rating at the balance sheet date.

	2022 £'000	2021 £'000
Cash and cash equivalents – AA+ to AA-	44,878	94,572
Cash and cash equivalents – A+ to A-	160,711	117,465
Cash and cash equivalents – unrated	2,353	5,285
	207,942	217,322

Settlement balances were neither past due nor impaired. Due to their short-term nature, these balances are expected to be settled in less than 30 days.

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk are set out below.

Cash flows

The table below analyses financial assets and liabilities of the Group on an undiscounted future cash flow basis according to the contractual maturity into relevant maturity groupings based upon the remaining period at the balance sheet date. Balances with no fixed maturity are included in the 'over 5 years' category. Included within the 'less than 1 month' category are amounts that are either repayable on demand or which have no contractual maturity.

31 December 2022	Less than 1 month £000	1-3 months £000	3 months – 1 year £000	2-5 years £000	Over 5 years £000	Total £000
Assets						
Cash and bank balances	206,300	-	-	1,642	-	207,942
Settlement balances - assets	9,477	-	-	-	-	9,477
Derivative financial instruments	-	-	-	-	-	-
Trade and other receivables	91,613	99,038	6,128	6,200	335	203,314
Equity investment securities designated at FVOCI	-	-	3,646	-	-	3,646
	307,390	99,038	9,774	7,842	335	424,379
Liabilities						
Borrowings	22	-	-	-	-	22
Settlement balances – liabilities	8,965	-	-	-	-	8,965
Trade and other payables	52,876	75,032	31,434	10,553	-	169,895
Lease liabilities	438	1,312	3,221	47,854	32,182	85,007
	62,301	76,344	34,655	58,407	32,182	263,889
Net liquidity gap	245,089	22,694	(24,881)	(50,565)	(31,847)	160,490

31 December 2021	Less than 1 month £000	1-3 months £000	3 months – 1 year £000	2-5 years £000	Over 5 years £000	Total £000
Assets						
Cash and bank balances	215,685	-	-	1,637	-	217,322
Settlement balances - assets	10,083	-	-	-	-	10,083
Derivative financial instruments	-	-	44	-	-	44
Trade and other receivables	66,124	86,782	4,273	5,844	307	163,330
Equity investment securities designated at FVOCI	-	-	4,004	-	-	4,004
	291,892	86,782	8,321	7,481	307	394,783
Liabilities						
Borrowings	-	-	-	-	-	-
Settlement balances – liabilities	9,793	-	-	-	-	9,793
Trade and other payables	46,964	82,386	22,448	16,624	-	168,422
Lease liabilities	653	2,081	3,491	23,761	55,059	85,045
	57,410	84,467	25,939	40,385	55,059	263,260
Net liquidity gap	234,482	2,315	(17,618)	(32,904)	(54,752)	131,523

Off-balance sheet items

Cash flows resulting from the Group's off-balance sheet financial liabilities relate to client money detailed in note 41, contingent liabilities and commitments in note 40 and related party indemnities and guarantees as detailed in note 42.

(c) Market risk

Interest rate risk

The Group was exposed to interest rate risk on financial liabilities through the impact of rate changes on loans from parent companies and bank loans. These liabilities were fully repaid in previous years, removing this exposure to interest rate risk for 2022. The weighted average interest rates paid during 2021 are disclosed in note 29.

Interest rate cap

The Group has taken out a forward interest rate cap to hedge interest rate risk in 2022. Under the interest rate cap contract, the Group will receive payments at the end of each period in which the interest rate exceeds the agreed strike price.

The following tables detail the notional principal amounts and remaining terms of interest rate cap contracts outstanding as at the reporting date:

	Average contract fixed interest cap rate		Notional principal value		Fair value	
Outstanding receive floating pay fixed cap contracts	2022 %	2021 %	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Less than 12 months	-	2.0	-	250,000	-	44
Between 1 to 5 years	-	-	-	-	-	-

The interest rate cap matured on 31 December 2022.

Foreign exchange risk

The Group's operations are predominantly in the UK. The Group continuously monitors its exposure to currency fluctuation risks based on balance sheet items and expected cash flows. Foreign currency exposures resulting from the Group's treasury activities or income from the Company's Irish subsidiaries are converted to sterling on a regular basis.

At the balance sheet date, the Group had no significant foreign exchange risk.

39. Capital risk management

The Group's objectives when managing capital are to:

- Safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for its other stakeholders;
- Maintain a strong capital base to support the future strategy and development of the business; and
- Comply with the capital requirements set by the regulators where the Group operates on a solo and consolidated basis.

The Group continuously reviews the total own funds requirement of its regulated subsidiaries which are reported monthly to the Board. The Group and each regulated entity have been in compliance with their own funds requirement at all times during the year. The own funds position is submitted to its lead regulator, the Financial Conduct Authority (FCA).

40. Contingent liabilities and commitments

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

At the balance sheet date, the Group's capital expenditure authorised and contracted for, but not included, in the financial statements was £1.0 million (2021: £3.1 million).

41. Fiduciary activities

The Group provides custody, trustee, corporate administration, investment management and advisory services to third parties, which involves the Group making allocations and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements as, in the Directors' judgement, the primary risks and rewards of these assets and money rest with the Group's clients and, as such, are not assets of the Group. Interest on client balances is included within fee and commission income.

At the balance sheet date, the Group, acting as trustee, held client money amounting to £1,791.2 million (2021: £1,360.3 million) in accordance with the FCA client money rules.

42. Related party transactions

Balances and transactions

The following amounts were outstanding at the balance sheet date:

		Amounts owed by related parties		Amounts owed to related parties	
Name of related party	Counterparty	2022 £'000	2021 £'000	2022 £'000	2021 £'000
CLA Evelyn Partners Limited	Evelyn Partners Services Limited	7,481	6,111	-	-
CLA Evelyn Partners Limited	Evelyn Partners LLP	3,514	-	-	-
CLA Evelyn Partners (Ireland) Limited	Evelyn Partners Services Limited	620	-	-	-
CLA Evelyn Partners (Ireland) Limited	Evelyn Partners (Ireland) Limited	-	494	-	-
Grundstenen Limited	Evelyn Partners Services Limited	10	-	-	-
Grundstenen Limited	HFS Milbourne Financial Services Limited	13	-	-	-

The amounts outstanding, included in other debtors (note 26), are unsecured and will be settled in cash. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

The Group provides accommodation and services to CLA Evelyn Partners Limited. Certain Evelyn Partners Group Limited's subsidiaries and CLA Evelyn Partners Limited are considered to be related as they have certain shareholders in common. Evelyn Partners Group Limited's subsidiaries, Evelyn Partners Services Limited and Evelyn Partners LLP, have provided staff to CLA Evelyn Partners Limited, the charge in the year being £17.5 million (2021: £16.7 million). Accommodation and other overheads totalling £12.1 million (2021: £8.4 million) have been charged to CLA Evelyn Partners Limited by the Group. Fees earned for the provision of these services are included in revenue (note 6).

The Group also provides accommodation and services to CLA Evelyn Partners (Ireland) Limited. Certain Evelyn Partners Group Limited's subsidiaries and CLA Evelyn Partners (Ireland) Limited are considered to be related as they have certain shareholders in common. The Evelyn Partners Group Limited subsidiary, Evelyn Partners Employment Services Limited, has provided staff to CLA Evelyn Partners (Ireland) Limited. In total, £2.3 million (2021: £2.1 million) has been charged to CLA Evelyn Partners (Ireland) Limited by the Group for staff, accommodation and other services. Fees earned for the provision of these services are included in revenue (note 6).

Guarantees

The Group had the following guarantees in place for related parties:

	2022 Base currency 000	2021 Base currency 000	2022 £ equivalent £'000	2021 £ equivalent £'000
Overdraft facilities:				
CLA Global TS Holdings Pte. Ltd.	S$416	S$416	257	228
SME Working Capital Loan:				
CLA Global TS Holdings Pte. Ltd.	S$156	S$156	96	85
Enterprise financing scheme – temporary bridging loan:				
CLA Global TS Holdings Pte. Ltd.	S$520	S$520	322	285
Indemnity for financial loss:				
CLA Evelyn Partners Limited	£2,000	£2,000	2,000	2,000
Indemnity for insolvency:				
NCL Investments Limited Pension Scheme (note 35)	£10,000	£10,000	10,000	10,000
			12,675	12,598

Remuneration of key management personnel

Key management personnel are defined as the Group's Directors and other members of senior management who are responsible for planning, directing and controlling the activities of the Group.

The remuneration expense for key management personnel is as follows:

	2022 £'000	2021 £'000
Short-term employee benefits	6,879	9,213
Post-employment benefits	60	44
Share-based payments	200	76
	7,139	9,333

The remuneration of Directors is provided in the Directors' remuneration note 43.

At the balance sheet date, there is £0.1 million (2021: £0.1 million) of outstanding loans made to key management personnel of the Group which is included in trade and other receivables (note 26). At the balance sheet date, no impairment was associated with these loans (2021: £nil). These loans have interest rates ranging from 2.5% to 4.5%, are securitised by shares held in Violin Topco Guernsey Limited, a parent undertaking of the Group, and will be settled in cash. These loans were issued to the individuals to purchase shares in Violin Topco Guernsey Limited.

A number of the Group's key management personnel and their close family members make use of the services provided by companies within the Group. Charges for such services are made at various staff rates.

43. Directors' remuneration

The emoluments of those Directors whose executive services were provided to the Group during the year were as follows:

	2022 £'000	2021 £'000
Directors' remuneration		
Emoluments	2,308	4,264

	2022 number	2021 number
The number of Directors who:		
Are members of a money purchase pension scheme	-	-

	2022 £'000	2021 £'000
Remuneration of the highest paid Director:		
Emoluments	965	1,286

44. Interest in unconsolidated structured entities

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Group has assessed whether the funds it manages are structured entities and concluded that managed funds are structured entities unless substantive removal or liquidation rights exist.

The Group has interests in structured entities as a result of contractual arrangements arising from the management of assets on behalf of its clients. These structured entities typically consist of unitised vehicles such as Open Ended Investment Companies and Authorised Unit Trusts, which entitle investors to a percentage of the vehicle's net asset value. The structured entities are financed by the purchase of units or shares by investors.

The business activity of all structured entities, in which the Group has an interest, is the management of assets in order to maximise investment returns for investors from capital appreciation and/or investment income. The Group earns a management fee from its structured entities, based on a percentage of the entity's net asset value and, where contractually agreed, a performance fee, based on outperformance against predetermined benchmarks.

As fund manager, the Group does not guarantee returns on its funds or commit to financially support its funds.

The Group does not have any material seed capital investments, individually or collectively, in funds managed by the Group.

The table below shows the assets under management of structured entities that the Group manages and fee income that it receives from these entities. The carrying value of the Group's interest in these entities is considered to be the value of the assets under management reflected below.

31 December 2022	Number of funds	Assets under management/ administration £bn	Net fee income 2022 £'000	Management fees receivable £'000
Investment Management	61	8.3	59,281	2,794
Fund Solutions	145	8.3	9,089	1,966

31 December 2021	Number of funds	Net funds under management/ administration £bn	Net fee income 2021 £'000	Management fees receivable £'000
Investment Management	87	9.4	67,658	3,819
Fund Solutions	139	9.8	11,565	1,866

The Group has no direct exposure to losses in relation to the assets under management reported above as the investment risk is borne by external investors. The main risk the Group faces from its interest in assets under management managed on behalf of external investors is the loss of fee income as a result of the withdrawal of funds by clients. Outflows from funds are dependent on market sentiment, asset performance and investor considerations.

45. Notes to the cash flow statement

Analysis of changes in net debt

	Derivative financial instruments £'000	Lease liabilities £'000	Borrowings £'000	Total financing activity liabilities £'000	Cash and bank balances £'000	Net cash £'000
At 1 January 2021	16	(30,129)	(28,500)	(58,613)	168,758	110,145
Cash flow	-	11,143	25,000	36,143	47,838	83,981
Acquisitions and disposals	-	-	-	-	726	726
Fair value gains and losses	28	-	-	28	-	28
Other non-cash movements	-	(66,059)	3,500	(62,559)	-	(62,559)
At 31 December 2021	44	(85,045)	-	(85,001)	217,322	132,321
Cash flow	-	7,886	-	7,886	(9,380)	(1,494)
Fair value gains and losses	(44)	-	-	(44)	-	(44)
Other non-cash movements	-	(10,124)	(22)	(10,146)	-	(10,146)
At 31 December 2022	-	(87,283)	(22)	(87,305)	207,942	120,637

Balances at the balance sheet date comprise:

31 December 2022	Non-current assets £'000	Current assets £'000	Current liabilities £'000	Non-current liabilities £'000	Total £'000
Cash and bank balances	-	207,942	-	-	207,942
Borrowings (note 29)	-	-	(22)	-	(22)
Lease liabilities (note 33)	-	-	(2,379)	(84,904)	(87,283)
Net cash	-	207,942	(2,401)	(84,904)	120,637

31 December 2021	Non-current assets £'000	Current assets £'000	Current liabilities £'000	Non-current liabilities £'000	Total £'000
Cash and bank balances	-	217,322	-	-	217,322
Derivative financial instruments (note 23)	-	44	-	-	44
Lease liabilities (note 33)	-	-	(6,228)	(78,817)	(85,045)
Net cash	-	217,366	(6,228)	(78,817)	132,321

46. Post balance sheet events

On 31 January 2023, the Group acquired 100% interest in Leathers LLP, a firm of Chartered Accountants and tax specialists with offices in Harrogate and Newcastle, for a total potential consideration of £4.3 million.

Initial cash consideration of £2.5 million was paid on the completion date, thereafter deferred consideration of up to £1.5 million is payable in cash within twelve months of completion date depending on trading performance. As part of the transaction, equity consideration of £0.3 million was also issued at the prevailing share price at the completion date.

Deferred consideration will be adjusted to the extent that turnover ranges between 80% and 110% of historical levels in the twelve-month period post completion. If the sellers become bad leavers at any time prior to payment of the deferred consideration, any entitlement to this this payment will cease.

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

Company Income Statement

for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Other operating income		-	92
Operating income		-	92
Impairment of investments in subsidiaries		(11,381)	-
Other operating expenses		4	(92)
Total operating expenses		(11,377)	(92)
Operating loss	48	(11,377)	-
Dividend income from shares held in subsidiary undertakings		48,880	32,900
Finance income	49	14,121	11,295
Finance costs	50	434	(835)
Profit before tax		52,058	43,360
Taxation	51	(2,028)	(3,134)
Profit for the year		50,030	40,226

The Company has no other comprehensive income or loss items other than the profit for the current year and profit for the prior year.

The notes on pages 157 to 164 form an integral part of these financial statements.

Company Balance Sheet
as at 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Investments in subsidiaries	52	**1,271,075**	1,269,729
Net deferred tax assets	54	**-**	436
Total non-current assets		**1,271,075**	1,270,165
Current assets			
Loans to other group entities	55	**192,796**	186,143
Trade and other receivables	56	**37,861**	28,255
Derivative financial instruments	23	**-**	44
Total current assets		**230,657**	214,442
Total assets		**1,501,732**	1,484,607
Liabilities			
Current liabilities			
Borrowings	57	**7**	-
Trade and other payables	58	**91,077**	89,538
Provisions	59	**2,163**	-
Current tax liabilities		**2,766**	-
Total current liabilities		**96,013**	89,538
Net current assets		**134,644**	124,904
Non-current liabilities			
Long-term provisions	59	**-**	1,880
Total non-current liabilities		**-**	1,880
Total liabilities		**96,013**	91,418
Net assets		**1,405,719**	1,393,189
Equity			
Share capital	60	**1,050,894**	1,050,894
Share premium	60	**51,660**	51,660
Capital reorganisation reserve		**(1,000)**	(1,000)
Retained earnings		**304,165**	291,635
Total equity		**1,405,719**	1,393,189

The notes on pages 157 to 164 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 3 March 2023.

They were signed on its behalf by:

Chris Woodhouse
Group Chief Executive Officer

Andrew Baddeley
Group Chief Financial Officer

Company registered number: 08741768

Company Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Capital reorganisation reserve[1] £'000	Retained earnings £'000	Total equity £'000
At 1 January 2021	1,041,654	-	(1,000)	284,309	1,324,963
Profit for the year	-	-	-	40,226	40,226
Total comprehensive income	-	-	-	40,226	40,226
Dividend distribution	-	-	-	(32,900)	(32,900)
Issue of shares	9,240	51,660	-	-	60,900
At 31 December 2021	**1,050,894**	**51,660**	**(1,000)**	**291,635**	**1,393,189**
Profit for the year	-	-	-	50,030	50,030
Total comprehensive income	-	-	-	50,030	50,030
Dividend distribution	-	-	-	(37,500)	(37,500)
At 31 December 2022	**1,050,894**	**51,660**	**(1,000)**	**304,165**	**1,405,719**

1. The capital reorganisation reserve occurred in 2020 and is the difference between the value at which share capital was issued and the fair value of the assets acquired with those shares.

The notes on pages 157 to 164 form an integral part of these financial statements.

Company Cash Flow Statement
for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flow from operating activities			
Profit before tax		52,058	43,360
Adjustments for:			
Dividend income		(48,880)	(32,900)
Finance income	49	(14,121)	(11,295)
Finance costs	50	(434)	835
Impairment of investments in subsidiaries	52	11,381	-
Increase in provisions	59	2,367	-
Depreciation of right-of-use assets	53	-	28
Operating cash flows before movements in working capital		2,371	28
(Increase)/decrease in trade and other receivables		(9,129)	119,460
Increase/(decrease) in trade and other payables		2,721	(100,159)
Increase/(decrease) in provisions		(2,084)	1,880
Net cash (used in)/generated from operating activities		(6,121)	21,209
Cash flow from investing activities			
Dividends received		37,500	32,900
Interest received	49	14,121	11,295
Additional investment in subsidiary		(8,000)	-
Net cash outflow arising on acquisition of subsidiaries		-	(7,500)
Net cash generated from investing activities		43,621	36,695
Cash flows from financing activities			
Dividends paid		(37,500)	(32,900)
Repayment of loan from parent undertaking		-	(25,000)
Payment of lease liabilities		-	(4)
Net cash used in financing activities		(37,500)	(57,904)
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

The notes on pages 157 to 164 form an integral part of these financial statements.

Notes to the Company Financial Statements

for the year ended 31 December 2022

47. Significant accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006 and have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. The principal accounting policies adopted are the same as those set out in the Consolidated Financial Statements except as noted below.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. The impairment testing performed considered the net assets of the subsidiaries held and whether this exceeded the carrying value. In instances where the net asset value is lower than the carrying value, a value in use assessment is performed using discounted forecast cash flows for the relevant subsidiary to assess whether an impairment has arisen.

Financial instruments

Financial assets measured at amortised cost

Financial assets in notes 55 and 56 are measured at amortised cost. The measurement of credit impairment is based on the simplified approach (see Measurement of ECLs below).

Financial assets measured at fair value through profit and loss

Derivatives are recorded at fair value at each reporting date. Changes in the fair value of derivatives are recognised immediately in the income statement. The Company has taken out a forward interest rate cap to manage its exposure to interest rate and market movement.

Measurement of ECLs

The Company's intercompany receivables do not contain significant financing components. Therefore, the Company has applied a practical expedient by using a provision matrix to calculate lifetime ECLs based on actual credit loss experience over the past two years adjusted by forward-looking estimates.

The provision matrix used to calculate lifetime ECLs is based on historical observed default rates, and is adjusted by forward-looking estimates that include the probability of a worsening economic environment within the next year. The loss rates are applied to balances on a collective basis in each segment, net of specific allowances calculated on an individual basis.

48. Operating loss

The auditor's remuneration for audit and other services is disclosed in note 10 to the Consolidated Financial Statements.

Operating loss for the year has been arrived at after charging:

	2022 £'000	2021 £'000
Depreciation of right-of-use assets (note 53)	-	28

49. Finance income

	2022 £'000	2021 £'000
Interest receivable from subsidiaries	14,121	11,295

50. Finance costs

	2022 £'000	2021 £'000
Interest payable to group companies	-	839
Fair value gain arising on derivatives	(434)	(28)
Unwinding of discount on deferred payments	-	24
	(434)	835

51. Taxation

	2022 £'000	2021 £'000
Current tax		
- current year	2,765	2,435
- adjustment in respect of prior years	(1,173)	824
	1,592	3,259
Deferred tax		
- current year	1	(435)
- adjustment in respect of prior years	435	310
	436	(125)
Total tax charge	2,028	3,134

Corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit for the year. The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £'000	2021 £'000
Profit before tax	52,058	43,360
Tax at the UK corporation tax rate of 19% (2021: 19%)	9,891	8,238
Tax effect of:		
Adjustment in respect of prior year	(738)	1,134
Non-deductible expenses	2,964	13
Income not taxable	(10,089)	(6,251)
Tax charge for the year	2,028	3,134

The prior year adjustment of £0.4 million (2021: £0.3 million) relates to the release of the deferred tax asset in respect of interest expense disallowed under the Corporate Interest Restriction provisions.

52. Investments in subsidiaries

	£'000
At 1 January 2021	1,262,035
Acquisition of subsidiary (note 19)	7,694
At 31 December 2021	1,269,729
Additional share capital injected into subsidiary undertaking	8,000
Reorganisation due to group rationalisation	4,727
Impairment of investments in subsidiaries	(11,381)
At 31 December 2022	1,271,075

Investments in subsidiaries have been impacted by an ongoing project to simplify the organisational structure of the Group. As part of this reorganisation, two indirect subsidiary undertakings, HFS Milbourne Financial Services Limited and Index Fund Advisors Limited, have been moved up the group structure to be directly owned by the Company. In addition, one subsidiary undertaking, Tilney Asset Management Group Limited, has distributed surplus assets to the Company in readiness for liquidation or strike off, leaving minimal assets in that entity. The investment has therefore been impaired to reflect the reduced level of assets left in the subsidiary undertaking.

The following are the Group's subsidiary undertakings, all of which are owned 100% directly or indirectly by the Company and are included in the consolidated financial statements.

Subsidiary undertaking	Activity	Class of share capital	Registered office
25 Moorgate Limited	Property management	Ordinary	5
Aitchison & Colegrave Trustees Limited	Dormant	Ordinary	1
Ashcourt Holdings Limited	Dormant	Ordinary/Preference	5
Ashcourt Rowan Limited	Holding company	Ordinary	5
Athenaeum Directors Limited	Dormant	Ordinary	5
Athenaeum Secretaries Limited	Dormant	Ordinary	5
Bestinvest (Consultants) Limited	Financial planning	Ordinary	5
Bestinvest (Holdings) Limited	Holding company	Ordinary	5
DS Aslan Midco Limited	Dormant	Ordinary	5
Evelyn Partners (Holdings) Limited	Dormant	Ordinary	5
Evelyn Partners (Ireland) Limited	Accountancy	Ordinary/A Ordinary	7
Evelyn Partners Asset Management Limited	Investment management	Ordinary	5
Evelyn Partners Channel Islands Limited	Accountancy	Ordinary	9
Evelyn Partners Corporate Finance Limited	Corporate finance	Ordinary	5
Evelyn Partners Discretionary Investment Management Limited	Investment management	Ordinary	5
Evelyn Partners Employment Services Limited	Services company	Ordinary	7
Evelyn Partners Financial Planning Limited	Financial planning	Ordinary/A Ordinary/Preference	5
Evelyn Partners Financial Services Limited	Pensions and insurance	Ordinary	5
Evelyn Partners Fund Solutions Limited	Fund solutions	Ordinary	5
Evelyn Partners I M Limited	Holding company	Ordinary	5
Evelyn Partners International Limited	Investment management	Ordinary	9
Evelyn Partners Investment Management (Europe) Limited	Investment management	Ordinary	10
Evelyn Partners Investment Management LLP	Investment management	Members' capital	5
Evelyn Partners Investment Management Services Limited	Investment management	Ordinary	5
Evelyn Partners Investment Services Limited	Custody and dealing	Ordinary	5
Evelyn Partners LLP	Accountancy	Members' capital	5
Evelyn Partners Pensioneer Trustee Limited	Pensions	Ordinary	10
Evelyn Partners PS Holdings Limited	Holding company	Ordinary	5
Evelyn Partners Securities	Investment management	Ordinary	5
Evelyn Partners Services Limited	Services company	Ordinary	5
Evelyn Partners Trust Corporation Limited	Trust company	Ordinary	5
HFS Milbourne Financial Services Limited	Investment management	Ordinary/A Ordinary/Preference	5
HFS Feltons Financial Services Limited	Investment management	Ordinary	5
HFS Hamlyns Financial Services Limited	Investment management	Ordinary	5
HW Financial Services Limited	Pensions and insurance	Ordinary/A Ordinary	5
Index Fund Advisors Limited	Investment management	Ordinary	5
Index WM (Holdings) Limited	Dormant	A Ordinary/B Ordinary/Preference	5
Investment Management Holdings Limited	Dormant	Ordinary	5
LHM Casey McGrath Limited	Dormant	Ordinary	7
Milbourne Holdings Limited	Holding company	Ordinary	5
NCL (Nominees) Limited	Dormant	Ordinary	5
NCL (Securities) Limited *(dissolved 3 January 2023)*	Dormant	A Ordinary/B Ordinary	5

Subsidiary undertaking	Activity	Class of share capital	Registered office
NCL Investments Limited	Services company	Ordinary	5
Oakfield Trustees Limited	Trust company	Ordinary	8
Paragon Trustees Ltd	Dormant	Ordinary	5
Smith & Williamson Corporate Services Limited	Services company	Ordinary	5
Smith & Williamson Group Holdings Limited	Dormant	Ordinary	5
Smith & Williamson Holdings Limited	Holding company	A Ordinary/D Ordinary	5
Smith & Williamson Investment Management (Ireland) Limited	OEIC managers	Ordinary	11
Smith & Williamson Nominees Limited	Dormant	Ordinary	5
Smith & Williamson Services Limited	Services company	Ordinary	5
Smith & Williamson Tax LLP	Dormant	Members' capital	5
Smith & Williamson Trustees Limited	Dormant	Ordinary	5
St Vincent St Fund Administration Limited	Dormant	Ordinary	5
Tilney Asset Management (Guernsey) Limited	Investment management	Ordinary	2
Tilney Asset Management Group Limited	Dormant	Ordinary	5
Tilney Asset Management Holdings Limited	Dormant	A Ordinary/B Ordinary	5
Tilney Asset Management Services Limited	Investment management	Ordinary	5
Tilney Bestinvest Group Limited *(in liquidation)*	Dormant	Ordinary	5
Tilney Discretionary Portfolio Management Limited	Investment management	Deferred Ordinary/Ordinary	5
Tilney Global IDF G.P. Limited	Dormant	Ordinary	4
Tilney Nominees Limited	Dormant	Ordinary	5
Tilney Nominees No.2 Limited	Dormant	Ordinary	5
TL Jerseyco Finance Limited	Dormant	Ordinary	3
Towry Finance Company Limited	Dormant	Ordinary	5
Towry Group Limited	Dormant	Ordinary	5
Towry Holdings Limited	Holding company	Ordinary	5
Towry Limited *(in liquidation)*	Dormant	Ordinary	5
Towry Nominees No.2 Limited	Dormant	Ordinary	5
Towry Security Company Limited	Dormant	Ordinary	5
TS&W Group Services Limited	Dormant	Ordinary	5
UK Wealth Management Limited	Dormant	Ordinary	5
YIGAM Holdings Limited	Dormant	Ordinary	5

1. Third Floor Atria Two, 148 Morrison Street, Edinburgh EH3 8EX, Scotland
2. Oak House, Hirzel Street, St Peter Port, GY1 2NP, Guernsey
3. 44 Esplanade, St Helier, JE4 9WG, Jersey
4. c/o Estera Services (Bermuda) Limited, Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda
5. 45 Gresham Street, London, EC2V 7BG, England
6. 32-38 Linenhall Street, Belfast, County Antrim, BT2 8BG, Northern Ireland
7. Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7, Ireland
8. 4th Floor Portwall Place, Portwall Lane, Bristol, BS1 6NA, England
9. 3rd Floor, Weighbridge House, Liberation Square, St Helier, JE2 3NA, Jersey
10. Alexandra House, 3 Ballsbridge Park, Ballsbridge, Dublin 4, D04 C7H2, Ireland
11. Trinity Point, 10/11 Leinster Street South, Dublin 2, D02 EF85, Ireland

53. Right-of-use assets

	Equipment £'000
Cost	
At 1 January 2021	441
Disposals	(441)
At 31 December 2021, 2022	-
Accumulated depreciation	
At 1 January 2021	413
Disposals	(441)
Charge for the year	28
At 31 December 2021, 2022	-
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

54. Net deferred tax assets

The following are the major deferred assets recognised by the Company and movements thereon during the current and prior reporting period.

	Interest expense £'000	Leases £'000	Total £'000
At 1 January 2021	309	2	311
Adjustment in respect of prior year	(309)	(1)	(310)
Charge for the year to the income statement	435	-	435
At 31 December 2021	**435**	**1**	**436**
Adjustment in respect of prior year	**(435)**	**(1)**	**(436)**
At 31 December 2022	-	-	-

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022 £'000	2021 £'000
Deferred tax liabilities	-	-
Deferred tax assets	-	436
Net deferred tax assets	-	436

A deferred tax asset amounting to £0.1 million (2021: £1.1 million) for losses carried forward has not been recognised because in the opinion of the Directors no suitable taxable profits are anticipated in the foreseeable future against which the asset may be offset.

55. Loans to other group entities

	£'000
At 1 January 2021, 31 December 2021	**186,143**
Reorganisation due to group rationalisation	6,653
At 31 December 2022	**192,796**

The loans issued in the year are interest free and repayable on demand.

Brought forward loans to subsidiaries carry an interest rate 6% above 3 months LIBOR and are repayable on demand.

56. Trade and other receivables

	2022 £'000	2021 £'000
Amounts owed by group undertakings	37,383	28,255
Accrued income	478	-
	37,861	28,255

The carrying amount of amounts owed by group undertakings approximates to their fair value. There are no past due or impaired receivable balances.

57. Borrowings

	2022 £'000	2021 £'000
Unsecured borrowing at amortised cost and due within one year		
Loans from parent undertakings	7	-

Details of borrowings are given in note 29 to the Consolidated Financial Statements.

Loans from parent undertakings are repayable on demand.

	Loans from parent entities £'000	Lease liabilities £'000	Total £'000
At 1 January 2022	-	-	-
Other non-cash changes			
Issue of loan	7	-	7
	7	-	7
At 31 December 2022	7	-	7

	Loans from parent entities £'000	Lease liabilities £'000	Total £'000
At 1 January 2021	28,500	4	28,504
Changes from financing cash flows			
Repayment of loan from parent undertaking	(25,000)	-	(25,000)
Payments of lease liabilities	-	(4)	(4)
	(25,000)	(4)	(25,004)
Changes in fair value	-	-	-
Other non-cash changes			
Issue of shares	(3,500)	-	(3,500)
	(3,500)	-	(3,500)
At 31 December 2021	-	-	-

58. Trade and other payables

	2022 £'000	2021 £'000
Amounts owed to group undertakings	91,077	89,538

59. Provisions

	Contingent consideration £'000
At 1 January 2021	-
New provisions recognised	1,880
At 31 December 2021	**1,880**
New provisions recognised	**2,367**
Utilisation	**(2,084)**
At 31 December 2022	**2,163**
Current	**2,163**
Non-current	**-**
At 31 December 2022	**2,163**

60. Share capital

The movement on share capital is disclosed in note 36 of the Consolidated Financial Statements.

61. Financial risk management

The Company's financial risk management is consistent with the Group's approach as set out in note 38. The sections relevant to the Company have been included below.

Maximum exposure to credit risk

The only credit risk the Company is exposed to is on intercompany balances and cash balances, and as such credit risk is not considered to be material.

62. Related party transactions

During the year, the Company entered into the following transactions with related parties:

Intercompany loan interest	Interest income 2022 £'000	Interest income 2021 £'000	Finance costs 2022 £'000	Finance costs 2021 £'000
Parent undertaking				
Violin Debtco Guernsey Limited	-	-	-	796
Violin Equityco Limited	-	-	-	43
Subsidiary undertaking				
TL Jerseyco Finance Limited	933	746	-	-
Towry Finance Company Limited	13,188	10,550	-	-

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties 2022 £'000	Amounts owed by related parties 2021 £'000	Amounts owed to related parties 2022 £'000	Amounts owed to related parties 2021 £'000
Parent undertaking				
Violin Debtco Guernsey Limited	5,262	10,255	7	-
Subsidiary undertaking				
Evelyn Partners Discretionary Investment Management Limited	18,000	18,000	-	-
Evelyn Partners Investment Management Services Limited	517	-	-	-
Evelyn Partners Services Limited	6,136	-	88,077	89,538
Evelyn Partners LLP	-	-	3,000	-
TL Jerseyco Finance Limited	13,233	12,299	-	-
Towry Finance Company Limited	187,031	173,844	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

63. Directors' remuneration

The emoluments of those Directors whose executive services were provided to the Company during the year ended 31 December 2022 are presented in note 43.

The Directors of the Company are employed by fellow subsidiary undertakings of the Evelyn Partners Group Limited group.

The Company has no employees.

64. Controlling party

At the balance sheet date, the Company's ultimate parent undertaking is Platinum L.P. Guernsey Limited, a company incorporated in Guernsey.

Symmetry Topco Guernsey Limited, a company incorporated in Guernsey, is the parent undertaking of the largest group for which group financial statements are produced. Both the 'People with Significant Control' register and the Company's group financial statements are available from the Company Secretary, Evelyn Partners Group Limited, 45 Gresham Street, London, EC2V 7BG.

Glossary

Abbreviation	Definition
ACD	Authorised Corporate Director
APM	Alternative Performance Measure
AUM	Assets under management
bps	Basis points
BREEAM	Building Research Establishment's Environmental Assessment Method
CASS	Client Assets Sourcebook
CCC	Charities and Community Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash generating unit
CPO	Chief People Officer
CRC	Corporate Responsibility Committee
CRR	Corporate Responsibility Report
DIC	Diversity & Inclusion Committee
EAP	Evelyn Active Portfolios
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECL	Expected credit losses
EMF	Environmental management framework
EPCT	Evelyn Partners Charitable Trust
ESG	Environmental, social and governance
ESOS	Energy Savings Opportunity Scheme
EVIC	Enterprise value including cash
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FOS	Financial Ombudsman Service
FS ExCo	Financial Services Executive Committee
FVOCI	Fair value through other comprehensive income
GAYE	Give-As-You-Earn
GEC	Group Executive Committee
GHG	Greenhouse Gases
GRCC	Group Risk and Compliance Committee
I&D	Inclusivity & Diversity
IDC	Inclusion & Diversity Committee
ICARA	Internal Capital and Risk Assessment
IES	Inclusive Employers Standard
IFPR	Investment Firms Prudential Regime
IFRS	International Financial Reporting Standards
ILM	The Institute of Leadership & Management
INED	Independent Non-Executive Director
IPC	Investment Process Committee
KPIs	Key performance indicators
LDI	Liability Driven Investments
M&A	Mergers and acquisitions
MEP	Mechanical Electrical Plumbing
MPS	Managed portfolio services
NED	Non-Executive Directors
NPS	Net Promoter Score
PAI	Principal Adverse Impacts

Glossary (continued)

Abbreviation	Definition
PCG	Prudential Consolidated Group
PIMFA	Personal Investment Management & Financial Advice Association
RAC	Risk and Audit Committee
RAG	Red, Amber or Green
RaRE	Race, Religion and Ethnicity
RCSA	Risk and control self-assessment
REGO	Renewable Energy Guarantees of Origin
REV	Risk event process
SFDR	EU Securities Finance Disclosure Regulation
SDG	Sustainable Development Goals
SDR	Sustainability Disclosure Requirements
SECR	Streamlined Energy and Carbon Reporting
SMF	Senior management function
SMPS	Sustainable Managed Portfolio Service
SREP	Supervisory Review and Evaluation Process
SRI	Stewardship and Responsible Investment team
SRIG	Stewardship and Responsible Investment Group
SWOT	Strengths, weaknesses, opportunities and threats
TCFD	Task Force for Climate-Related Disclosures
TISA	The Investing and Saving Alliance
UN PRI	UN Principles of Responsible Investment
WACI	Weighted Average Carbon Intensity

Company Information

Non-Executive Chair
C Grigg

Executive Directors
A Baddeley
C Woodhouse

Non-Executive Directors
E Chambers
D Cobb
P Deming
K Jones
P Muelder
C Pell
C Stent
K Wiklund

Independent Auditors
Mazars LLP
30 Old Bailey
London EC4M 7AU

Bankers
NatWest Group Plc
250 Bishopsgate
London EC2M 4AA

HSBC Bank plc
71 Queen Victoria Street
London EC4V 4AY

Company Secretary and Registered Office
G White
45 Gresham Street
London EC2V 7BG
Company No. 08741768
evelyn.com

Our Offices

We operate from 28 towns and cities.

For a list of our offices visit: **evelyn.com**