

KEITH MONTGOMERY ASSOCIATES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

KEITH MONTGOMERY ASSOCIATES LIMITED

COMPANY INFORMATION

DIRECTORS	RK Montgomery JK Montgomery
COMPANY SECRETARY	D H S Harrowes
REGISTERED NUMBER	01107136
REGISTERED OFFICE	Tallut House Yatton Keynell Chippenham Wiltshire SN14 7EI
INDEPENDENT AUDITORS	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditors' report	5 - 8
Statement of income and retained earnings	9
Statement of financial position	10
Statement of cash flows	11 - 12
Analysis of net debt	12
Notes to the financial statements	13 - 25

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

BUSINESS REVIEW

The principal activity of the company during the year was investment management.

The company has performed satisfactorily: profit before tax is £500,786.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks facing the company are;

Covid 19 - The Company entered the second half of the year under Covid 19 lockdown and the directors moved to transition the company's operations to remote working whilst maintaining client service levels. Trading has continued at strong levels but there is continued uncertainty looking forward. With the current uncertainty in mind, the directors are aware that the business is subject to the evolving circumstances of the COVID 19 outbreak. This may involve unforeseen events outside of the directors' control and they continue to monitor events and react in order to sustain the company.

Loss of staff- Staff are a significant asset to the business. Retaining the services of key staff is essential to on- going revenue generation.

Regulatory and financial - The risk of breaches by the company of FCA rules. The company has a compliance function that provides training as well as monitoring compliance performance including for client money. Regulatory capital requirements are also closely monitored. The company retains capital balances in excess of current requirements.

Market risk - The company is affected by conditions in the financial markets and the wider economy, it manages this by closely monitoring market conditions and maintaining adequate liquid capital accordingly.

FINANCIAL KEY PERFORMANCE INDICATORS

Key financial performance indicators are robust showing that assets under management have increased year on year and pro rata turnover has remained stable in spite of considerable market volatility.

OTHER KEY PERFORMANCE INDICATORS

Details regarding the use of financial instruments and their associated risks are set out in the notes to these financial statements.

This report was approved by the board on 20 January 2022 and signed on its behalf.

JK Montgomery
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The directors present their report and the financial statements for the year ended 30 September 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £369,648 (2020: £419,113).

Dividends of £167,000 (2020: £192,000) have been paid during the year.

DIRECTORS

The directors who served during the year were:

RK Montgomery
JK Montgomery

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The Company fosters business relationships with its clients by acting on feedback, using dedicated customer relationship managers and by maintaining a high quality of service at all times. The Company fosters business relationships with its suppliers by supporting local suppliers, ensuring relationships are mutually beneficial and paying invoices within agreed payment terms.

MATTERS COVERED IN THE STRATEGIC REPORT

The company has included mandatory directors' report disclosures within the strategic report as they are considered by the directors to be of strategic importance; as permitted by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

JK Montgomery

Director

Date: 20 January 2022

Tallut House
Yatton Keynell
Chippenham
Wiltshire
SN14 7EI

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEITH MONTGOMERY ASSOCIATES LIMITED

OPINION

We have audited the financial statements of Keith Montgomery Associates Limited (the 'Company') for the year ended 30 September 2021, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEITH MONTGOMERY ASSOCIATES LIMITED (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the 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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEITH MONTGOMERY ASSOCIATES LIMITED (CONTINUED)

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment, and business performance including the design of remuneration policies;
- results of enquiries with management, the directors in relation to their own identification and assessment of the risks of irregularities within the entity;
- management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls); and
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. We identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, specifically those established by the Financial Conduct Authority. Other areas that we considered included data protection legislation and employment law.

Our procedures to respond to the risks identified included the following:

- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias;

Reviewing board meeting minutes and those of the audit and risk committee;

- Reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEITH MONTGOMERY ASSOCIATES LIMITED (CONTINUED)

journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business; and,

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.

With regard to the risks of non-compliance with laws and regulations and breaches of UK regulatory principles, specifically those established by the Financial Conduct Authority, we considered the extent to which non-compliance might have a material effect on the Financial Statements. Our work included:

- Gaining an understanding current activities, the scope of authorisation and the effectiveness of control environment;
- Reading any relevant correspondence with the Financial Conduct Authority;
- Reviewing registers maintained regarding any complaints, errors and breaches; and,
- Discussions with management and the compliance team.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Simon Morrison FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

21 January 2022

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	883,505	702,887
Gross profit		883,505	702,887
Administrative expenses		(555,738)	(533,997)
Gain from changes in fair value of investments		148,382	328,671
Operating profit	5	476,149	497,561
Income from fixed assets investments		5,808	10,429
Amounts written off investments		18,479	30,080
Interest receivable and similar income	10	359	1,410
Interest payable and similar expenses		(9)	-
Profit before tax		500,786	539,480
Tax on profit	11	(131,138)	(120,367)
Profit after tax		369,648	419,113
Retained earnings at the beginning of the year		2,267,836	2,040,723
		2,267,836	2,040,723
Profit for the year		369,648	419,113
Dividends declared and paid		(167,000)	(192,000)
Retained earnings at the end of the year		2,470,484	2,267,836

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 13 to 25 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	22,920	382
		<u>22,920</u>	<u>382</u>
Current assets			
Debtors: amounts falling due after more than one year	14	630,000	650,000
Debtors: amounts falling due within one year	14	111,894	139,609
Current asset investments	15	1,575,805	1,614,524
Cash at bank and in hand	16	458,994	84,576
		<u>2,776,693</u>	<u>2,488,709</u>
Creditors: amounts falling due within one year	17	(139,740)	(105,473)
Net current assets		<u>2,636,953</u>	<u>2,383,236</u>
Total assets less current liabilities		<u>2,659,873</u>	<u>2,383,618</u>
Provisions for liabilities			
Deferred tax	18	(188,389)	(114,782)
		<u>(188,389)</u>	<u>(114,782)</u>
Net assets		<u><u>2,471,484</u></u>	<u><u>2,268,836</u></u>
Capital and reserves			
Called up share capital	19	1,000	1,000
Profit and loss account	20	2,470,484	2,267,836
		<u><u>2,471,484</u></u>	<u><u>2,268,836</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

JK Montgomery
Director

Date: 20 January 2022

The notes on pages 11 to 23 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	369,648	419,113
Adjustments for:		
Depreciation of tangible assets	1,950	420
Interest paid	9	-
Interest received	(359)	(1,410)
Taxation charge	131,138	120,367
Decrease/(increase) in debtors	47,715	(38,698)
(Decrease) in creditors	(23,264)	(9,073)
Net fair value (gains) recognised in P&L	(148,382)	(328,671)
Share of operating (loss) in joint ventures	(18,479)	(30,080)
Corporation tax (paid)	(4,435)	(41,751)
Income received from listed investments	(5,808)	(10,429)
Net cash generated from operating activities	349,733	79,788
Cash flows from investing activities		
Purchase of short term listed investments	(635,954)	(326,193)
Sale of short term listed investments	822,993	383,689
Interest received	359	1,410
Income received from listed investments	5,808	10,429
Loss on disposal of fixed asset investments	18,479	30,080
Net cash from investing activities	211,685	99,415

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £	2020 £
Cash flows from financing activities		
Repayment of loans	(20,000)	-
Dividends paid	(167,000)	(192,000)
Net cash used in financing activities	<u>(187,000)</u>	<u>(192,000)</u>
Net increase/(decrease) in cash and cash equivalents	<u>374,418</u>	<u>(12,797)</u>
Cash and cash equivalents at beginning of year	84,576	97,373
Cash and cash equivalents at the end of year	<u><u>458,994</u></u>	<u><u>84,576</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	458,994	84,576
	<u><u>458,994</u></u>	<u><u>84,576</u></u>

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	At 1 October 2020 £	Cash flows £	At 30 September 2021 £
Cash at bank and in hand	84,576	374,418	458,994
Liquid investments	1,614,524	(38,719)	1,575,805
	<u><u>1,699,100</u></u>	<u><u>335,699</u></u>	<u><u>2,034,799</u></u>

The notes on pages 13 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. GENERAL INFORMATION

Keith Montgomery Associates Ltd is a company limited by shares, incorporated in England and Wales. The registered office is Tallut House, Yatton Keynell, Chippenham, Wiltshire, SN14 7EL.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The response to COVID-19 as noted in the strategic report ensures that the Company has the ability to continue trading profitably and in a cash generative manner. The directors have also considered the impact of likely changes to trading conditions in 2022 and are satisfied that there is sufficient headroom for the Company to be resilient to any adverse changes in markets.

The directors therefore consider that it is appropriate to prepare the accounts on a going concern basis.

2.3 TURNOVER

Turnover comprises investment management revenue for initial and ongoing management fees which are recognised on an accruals basis.

2.4 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.5 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.6 CURRENT AND DEFERRED TAXATION

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 COUNTERPARTY BALANCES

Counterparty debtors and creditors include balances with clients, investment houses and other counterparties, and are measured at initial recognition at fair value. For counterparty debtors appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

2.8 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold Improvements	-	three years straight line
Office equipment	-	three to seven years straight line
Computer equipment	-	three years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.9 VALUATION OF INVESTMENTS

Listed current asset investments are revalued to fair value at each reporting date. Fair value is determined with reference to prevailing market values at the reporting date.

The valuation of non-listed investments cannot readily be determined, therefore these assets are held at cost less impairment. The directors test these assets for impairment at each reporting date.

2.10 DEBTORS

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

2.11 CASH AND CASH EQUIVALENTS

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

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 PROVISIONS FOR LIABILITIES

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.14 CLIENT MONEY

The company holds money and assets on behalf of clients in accordance with Clients' Money Rules and Safe Custody Asset (CASS 6 and CASS 7) rules of the Financial Conduct Authority. Such monies and the corresponding liabilities to the clients are excluded from the balance sheet and disclosed in the notes.

2.15 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.15 FINANCIAL INSTRUMENTS (CONTINUED)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.16 DIVIDENDS

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

3.

JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Directors make estimates and assumptions concerning the future. They are also required to exercise judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Fixed asset investments

Other fixed asset investments comprise assets for which there is no active market and their valuation cannot readily be determined by reference to external inputs. In the judgement of the directors, the cost of these investments represents the best estimate of fair value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

4. TURNOVER

The whole of the turnover is attributable to investment management activities.

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	1,950	420
Cost of defined contribution pension scheme	<u>25,344</u>	<u>54,865</u>

6. AUDITORS' REMUNERATION

**FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES IN RESPECT
OF:**

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,250	6,850
- other services pursuant to FCA regulation	1,750	1,550
- other services	1,750	1,650
	<u>10,750</u>	<u>10,050</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	411,203	383,190
Social security costs	41,920	38,170
Cost of defined contribution scheme	25,344	54,865
	<u>478,467</u>	<u>476,225</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Administration	8	8
Management	2	2
	<u>10</u>	<u>10</u>

8. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	206,107	172,711
Company contributions to defined contribution pension schemes	21,529	52,628
	<u>227,636</u>	<u>225,339</u>

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £200,000 (2020: £166,667).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £21,530 (2020: £1,314).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. INCOME FROM INVESTMENTS

	2021 £	2020 £
Income from fixed asset investments	5,808	10,429
	<u>5,808</u>	<u>10,429</u>

10. INTEREST RECEIVABLE

	2021 £	2020 £
Other interest receivable	359	1,410
	<u>359</u>	<u>1,410</u>

11. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on profits for the year	57,531	31,557
	<u>57,531</u>	<u>31,557</u>
TOTAL CURRENT TAX	<u>57,531</u>	<u>31,557</u>
DEFERRED TAX		
Origination and reversal of timing differences	73,607	88,810
	<u>73,607</u>	<u>88,810</u>
TOTAL DEFERRED TAX	<u>73,607</u>	<u>88,810</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>131,138</u>	<u>120,367</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>500,786</u>	<u>539,480</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	95,149	102,501
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12	546
Capital allowances for year in excess of depreciation	(605)	-
Exempt Dividend Income	(1,104)	(1,981)
Income not taxable for tax purposes	(31,704)	(68,163)
Adjustments to tax charge in respect of prior periods	20	(1,139)
Adjustments to brought forward values	66,948	77,498
Chargeable gains/(losses)	(360)	8,337
Adjust opening deferred tax to average rate of 19.50%	-	2,071
Deferred tax not recognised	2,779	717
Other differences leading to an increase in the tax charge	3	(20)
TOTAL TAX CHARGE FOR THE YEAR	<u><u>131,138</u></u>	<u><u>120,367</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

12. DIVIDENDS

	2021 £	2020 £
Dividends on equity capital	167,000	192,000
	<u><u>167,000</u></u>	<u><u>192,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

13. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 October 2020	-	55,021	6,204	61,225
Additions	18,603	4,009	1,876	24,488
At 30 September 2021	18,603	59,030	8,080	85,713
DEPRECIATION				
At 1 October 2020	-	54,639	6,204	60,843
Charge for the year on owned assets	738	325	887	1,950
At 30 September 2021	738	54,964	7,091	62,793
NET BOOK VALUE				
At 30 September 2021	17,865	4,066	989	22,920
At 30 September 2020	-	382	-	382

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

14. DEBTORS

	2021 £	2020 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	630,000	650,000
	<u>630,000</u>	<u>650,000</u>
	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	2,800	-
Other debtors	4,352	56,263
Prepayments and accrued income	92,242	70,846
Tax recoverable	12,500	12,500
	<u>111,894</u>	<u>139,609</u>

15. CURRENT ASSET INVESTMENTS

	2021 £	2020 £
Listed investments	1,575,805	1,614,524
	<u>1,575,805</u>	<u>1,614,524</u>
	2021 £	2020 £
Opening fair value	1,614,524	1,410,869
Purchases	635,954	326,193
Sales	(822,993)	(383,689)
Gains on remeasurement to fair value	148,320	261,151
MARKET VALUE	<u>1,575,805</u>	<u>1,614,524</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

16. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	458,994	84,576
	<u>458,994</u>	<u>84,576</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	121	630
Corporation tax	63,688	37,727
Other taxation and social security	13,807	13,187
Other creditors	1,464	1,981
Accruals and deferred income	60,660	51,948
	<u>139,740</u>	<u>105,473</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

18. DEFERRED TAXATION

	2021 £
At beginning of year	(114,782)
Charged to profit or loss	(73,607)
AT END OF YEAR	<u>(188,389)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Unrealised gains on investments	(191,829)	(116,925)
Other differences	241	71
Capital gains/(losses)	3,199	2,072
	<u>(188,389)</u>	<u>(114,782)</u>

19. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 (2020: 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

20. RESERVES**Profit and loss account**

Includes all current and prior period retained profits and losses. Included within the profit and loss reserve is £215,839 (2020: £261,151) in respect of net unrealised investment gains which are not distributable.

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The company made contributions of £11,370 (2020: £10,719) to the pension scheme. At the balance sheet date the company owed the scheme £963 (2020: £895).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

22. TRANSACTIONS WITH DIRECTORS

At the year end R K Montgomery, a director and shareholder, owed the company £4,352 (2020: £5,314). This balance is unsecured, interest free and repayable on demand.

At the year end J K Montgomery, a director and son of R K Montgomery, a director and shareholder, owed the company £Nil (2020: £49,684). The balance is secured by a first charge over freehold property owned by J K Montgomery and bears interest at 3%.

During the year, R K Montgomery and members of his immediate family received dividends of £167,000 (2020: £192,000).

The company occupies premises owned by R K Montgomery, a director and shareholder. No rental charges are payable in respect of these premises (2020: £Nil).

23. RELATED PARTY TRANSACTIONS

During the year Keith Montgomery Associates Limited had repayments totalling £20,000 from a company under common control. The total balance at year end owed to Keith Montgomery Associates Limited is £630,000. The loan is secured over plant, machinery and other assets belonging to the borrower.

24. CONTROLLING PARTY

The ultimate controlling party is R K Montgomery by virtue of his majority beneficial interest in the issued share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.