Company registration number 02318036 (England and Wales)

TELFORD MANN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

TELFORD MANN LIMITED

COMPANY INFORMATION

Directors	A C Hancock J L Mann F Murphy J M W Telford A C Urquhart
Secretary	J Hancock J E M Hancock
Company number	02318036
Registered office	Ironstone Place Kettering United Kingdom NN14 1FN
Auditor	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ

TELFORD MANN LIMITED

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TELFORD MANN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report for the year ended 30 September 2022.

S172 Disclosure

The Company carries the names of the two Executive Directors and as such the legacy of Telford Mann Limited is very important to them, and in particular how this affects the key stakeholders, which comprise our clients and staff.

The Directors wish the company to maintain a reputation for excellent service to its clients with strong performance of the financial products offered and the funds managed on behalf of clients.

Staff development and training is considered a key part of maintaining this reputation and performance.

The Company remains relatively small, operating out of one office, so its impact on the local community is minimal, but wherever possible Telford Mann Limited engages in sustainable and environmentally friendly activities in the running of the business.

Fair review of the business and future developments

The directors are pleased with the financial performance of the business which has produced Fee Income in excess of that achieved in 2021 in spite of severe outside challenges presented during the year, namely the continuing Covid-19 issues and the faltering UK economy.

Trail Fees are up by 11.6% compared to 2021 whilst Initial Fee income has dropped by 8.5%. Trail fee income was however on budget. The Directors are particularly pleased that investor portfolios were managed carefully during the weeks following the market fall in March 2022 and have largely recovered in the meantime.

We believe the adaptability and resilience shown by staff and indeed clients during the external challenges has been key in maintaining a strong financial performance, resulting in a pre-tax profit of £2,037m. This figure is lower than recorded in 2021, but 2021 had extraordinary income included, and adjusting for that the underlying performance is 8.4% higher this year.

The results achieved in 2022 give the Director's confidence that the company remains in a very good position to continue trading profitably for the coming year.

Principal risks and uncertainties

The directors consider that the only significant risks and uncertainties affecting the business are those concerned with Financial Regulation issues.

On the one hand the company must meet with all its regulatory and compliance requirements as imposed by law and monitored by the FCA. Failure to do so would not only incur financial penalty, but also generate adverse publicity which would impact on client confidence and therefore business. The company takes its regulatory duties extremely seriously, led principally by the Operations Director Jilly Mann.

On the other hand, business levels could in theory be impacted upon by changes in legislation affecting the way in which Financial Services are conducted in the UK. Reacting to any major shift in legislation is beyond the company's control, but the policy of the company is always to be aware of potential changes and plan for these well ahead of time.

The company has of course been tested since March 2020 with the impact of the pandemic on fund values, investor confidence, and working practices as mentioned above, an outside factor that has been coped with better than could have perhaps been expected.

Key performance indicators

The key performance indicators for the company are twofold: -

Initial Fees received which can fluctuate according to market conditions, derived from advisory services to clients. Initial Fees this year were £905k, just ahead of budget though £90k below that achieved in 2021

Trail Fees are the major source of income, derived from the Discretionary Fund Management business which underpins the company's activities. Trail Fees were £8,219k, increased by 11.6% compared to 2021 which the Directors are very pleased with given the continuing challenge of the pandemic, and the trends in the UK economy in 2022.

On behalf of the board

A C Urquhart

Director

16 December 2022

TELFORD MANN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities
The principal activity of the company continued to be that of the provision of financial services.

Results and dividends
The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £750,000 (2021: £500,000). The directors do not recommend payment of a fina dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A C Hancock
J L Mann
F Murphy
J M W Telford
A C Urquhart

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial instruments
The company uses various financial instruments which include cash balances and various other items, such as trade debtors and trade credits which arise directly from its operations. The main risks arising from the company's financial instruments are credit risk and liquidity risk. The directors review and agree policies for managing each of these risks, which are summarised below.

Liquidity risk
The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit risk
The company's principal financial assets are cash and trade debtors.

The credit risk associated with cash is limited as the bank have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from the company's trade debtors.

The credit risk associated with trade debtors is considered to be low as the trade debtors are predominantly financial institutions and the debt relates to fees due to the company through acting as a financial intermediary for those institutions. There is always the risk that the customer will cancel their policy, which would result in trade debts being cancelled or amounts previously received requiring payment. However, the company's customer base is large and there is no reliance on a single customer. As such the risk associated with the cancelation of polices is considered to be low.

Auditor
Goodman Jones LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Strategic report
The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out the following information in the company's Strategic Report which would otherwise be required to be contained in the Director's Report.

-Review of business
-Principal risks and uncertainties
-Key performance indicators

Going concern
The directors have reviewed their forecast and consider that they have adequate resources to meet FCA capital requirements and future working capital requirements.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

J L Mann
Director

16 December 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

TELFORD MANN LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TELFORD MANN LIMITED

Opinion

We have audited the financial statements of Telford Mann Limited (the 'company') for the year ended 30 September 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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 our 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TELFORD MANN LIMITED

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 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out . These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

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

There are inherent limitations in the audit procedures described above. The further removed instances of noncompliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TELFORD MANN LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Esther Wood
Senior Statutory Auditor
For and on behalf of Goodman Jones LLP

16 December 2022

Chartered Accountants
Statutory Auditor

29/30 Fitzroy Square
London
W1T 6LQ

TELFORD MANN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	9,125,481	8,354,624
Administrative expenses		(6,996,438)	(7,198,340)
Other operating income		20,000	2,241,012
Operating profit	4	2,149,043	3,397,296
Interest receivable and similar income	8	3,365	421
Interest payable and similar expenses	9	(5,903)	(3,142)
Amounts written off investments	10	(109,839)	(13,047)
Profit before taxation		2,036,666	3,381,528
Tax on profit	11	(446,639)	(616,042)
Profit for the financial year		1,590,027	2,765,486

The profit and loss account has been prepared on the basis that all operations are continuing operations.

TELFORD MANN LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	£	£
Profit for the year	1,590,027	2,765,486
Other comprehensive income	-	-
Total comprehensive income for the year	1,590,027	2,765,486

TELFORD MANN LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**13**		203,950		312,046
Investments	**14**		50,000		50,000
			253,950		362,046
Current assets					
Debtors	**17**	1,046,618		2,488,312	
Investments	**18**	1,374,677		1,500,467	
Cash at bank and in hand		4,213,599		2,245,484	
		6,634,894		6,234,263	
Creditors: amounts falling due within one year	**19**	(1,650,484)		(2,189,628)	
Net current assets			4,984,410		4,044,635
Total assets less current liabilities			5,238,360		4,406,681
Provisions for liabilities					
Deferred tax liability	**22**	49,872		58,220	
			(49,872)		(58,220)
Net assets			5,188,488		4,348,461
Capital and reserves					
Called up share capital	**24**		17,507		17,507
Share premium account			133,610		133,610
Capital redemption reserve			11,188		11,188
Profit and loss reserves			5,026,183		4,186,156
Total equity			5,188,488		4,348,461

The financial statements were approved by the board of directors and authorised for issue on 16 December 2022 and are signed on its behalf by:

J L Mann
Director

A C Urquhart
Director

Company Registration No. 02318036

TELFORD MANN LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2020		17,192	123	11,188	1,920,670	1,949,173
Year ended 30 September 2021:						
Profit and total comprehensive income for the year		-	-	-	2,765,486	2,765,486
Issue of share capital	**24**	315	133,487	-	-	133,802
Dividends	**12**	-	-	-	(500,000)	(500,000)
Balance at 30 September 2021		17,507	133,610	11,188	4,186,156	4,348,461
Year ended 30 September 2022:						
Profit and total comprehensive income for the year		-	-	-	1,590,027	1,590,027
Dividends	**12**	-	-	-	(750,000)	(750,000)
Balance at 30 September 2022		17,507	133,610	11,188	5,026,183	5,188,488

TELFORD MANN LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	**30**		3,306,762		3,222,541
Interest paid			(5,903)		(3,142)
Income taxes paid			(574,341)		(367,473)
Net cash inflow from operating activities			2,726,518		2,851,926
Investing activities					
Purchase of tangible fixed assets		(19,497)		(26,551)	
Proceeds from disposal of tangible fixed assets		34,894		-	
Proceeds from disposal of investments		15,951		(1,499,604)	
Interest received		3,365		421	
Net cash generated from/(used in) investing activities			34,713		(1,525,734)
Financing activities					
Proceeds from issue of shares		-		133,802	
Payment of finance leases obligations		(43,116)		(8,980)	
Dividends paid		(750,000)		(500,000)	
Net cash used in financing activities			(793,116)		(375,178)
Net increase in cash and cash equivalents			1,968,115		951,014
Cash and cash equivalents at beginning of year			2,245,484		1,294,470
Cash and cash equivalents at end of year			4,213,599		2,245,484

1 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Company information
Telford Mann Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ironstone Place, Kettering, United Kingdom, NN14 1FN.

2.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The financial statements contain information about Telford Mann Limited as an individual company. The company has not prepared consolidated accounts on the grouncs that its subsidiary undertaking was dormant throughout the accounting period and its financial position is not material to the group. As such, its inclusion is not material for the purpose of these financial statements giving a true and fair view. Accordingly the company has taken advantage of the exemptions available under Section 405 of the Companies Act 2006 not to prepare group accounts.

2.2 Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Turnover
Turnover includes commission income and fund management fees. It is stated net of value added tax. Commission income is recognised on a right to consideration basis and is stated net of any clawbacks arising in the period.

2.4 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

2 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the lease term
Fixtures and fittings	15% on reducing balance
Computers	25% on cost
Motor vehicles	25% on reducing balance

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

2.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss .

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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.

2.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2 Accounting policies **(Continued)**

2.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

2.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 reporting end date.

2 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company 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 reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Accounting policies **(Continued)**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Initial commissions	905,692	990,604
Trail commissions	8,219,789	7,364,020
	9,125,481	8,354,624

	2022	2021
	£	£
Other revenue		
Interest income	3,365	421

4 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Depreciation of owned tangible fixed assets	94,490	68,757
Depreciation of tangible fixed assets held under finance leases	-	34,833
Profit on disposal of tangible fixed assets	(1,792)	-
Operating lease charges	174,150	174,575

5 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	10,500	9,500
For other services		
Taxation compliance services	650	500

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Office and administration	35	34

6 Employees **(Continued)**

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,372,681	2,338,604
Social security costs	334,164	238,870
Pension costs	139,217	99,753
	2,846,062	2,677,227

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	31,260	31,425
Company pension contributions to defined contribution schemes	72,000	8,000
	103,260	39,425

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2)

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	3,365	421

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,365	421

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	4,023	-
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,880	3,142
	5,903	3,142

10 Amounts written off investments

	2022	2021
	£	£
Amounts written off investments held at fair value	(109,839)	(13,047)

11 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	425,233	623,519
Adjustments in respect of prior periods	29,754	-
Total current tax	454,987	623,519
Deferred tax		
Origination and reversal of timing differences	(8,348)	(7,477)
Total tax charge	446,639	616,042

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	2,036,666	3,381,528
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	386,967	642,490
Tax effect of expenses that are not deductible in determining taxable profit	42,103	(33,448)
Permanent capital allowances in excess of depreciation	(3,836)	14,477
Under provided in prior years	29,753	-
Deferred tax	(8,348)	(7,477)
Taxation charge for the year	446,639	616,042

12 Dividends

	2022	2021
	£	£
Interim paid	750,000	500,000

13 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2021	11,556	401,162	276,136	75,574	764,428
Additions	-	7,180	12,317	-	19,497
Disposals	-	-	-	(75,574)	(75,574)
At 30 September 2022	11,556	408,342	288,453	-	708,351
Depreciation and impairment					
At 1 October 2021	9,794	186,225	221,530	34,833	452,382
Depreciation charged in the year	470	43,043	43,339	7,638	94,490
Eliminated in respect of disposals	-	-	-	(42,471)	(42,471)
At 30 September 2022	10,264	229,268	264,869	-	504,401
Carrying amount					
At 30 September 2022	1,292	179,074	23,584	-	203,950
At 30 September 2021	1,762	214,937	54,606	40,741	312,046

The net carrying value of tangible fixed assets in 2021 included the following in respect of assets held under finance leases or hire purchase contracts. This asset was disposed of in the period.

	2022	2021
	£	£
Motor vehicles	-	40,741

14 Fixed asset investments

	Notes	2022	2021
		£	£
Investments in subsidiaries	15	50,000	50,000

15 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Telford Mann Investment Management Limitec	United Kingdom	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

15 Subsidiaries (Continued)

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Telford Mann Investment Management Limitec	50,000	-

16 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,374,677	1,500,467

17 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	791,359	677,061
Amounts owed by group undertakings	-	470
Other debtors	-	1,564,224
Prepayments and accrued income	255,259	246,557
	1,046,618	2,488,312

18 Current asset investments

	2022	2021
	£	£
Investments	1,374,677	1,500,467

19 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Obligations under finance leases	21	-	43,116
Other borrowings	20	50,000	50,000
Trade creditors		37,915	164,681
Corporation tax		298,546	417,900
Other taxation and social security		197,908	74,525
Other creditors		6,175	4,690
Accruals and deferred income		1,059,940	1,434,716
		1,650,484	2,189,628

20 Loans and overdrafts

	2022	2021
	£	£
Loans from group undertakings	50,000	50,000
Payable within one year	50,000	50,000

21 Finance lease obligations

	2022	2021
Future minimum lease payments due under finance leases:	£	£
Within one year	-	43,116

The finance lease related to a car purchased for use by the director. At the end of the lease term, ownership of the vehicle passed to the company.

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021
Balances:	£	£
Accelerated capital allowances	49,872	58,220

	2022
Movements in the year:	£
Liability at 1 October 2021	58,220
Credit to profit or loss	(8,348)
Liability at 30 September 2022	49,872

23 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	139,217	99,753

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

24 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary of 10p each	175,072	175,072	17,507	17,507

25 Contingent liabilites

The maximum potential liability at the year end for clawback of indemnity commission is considered to be £4,719 (2021: £3,900).

The company has a potential financial liability in respect of rectification costs to clients relating to transfer of British Steel Pension funds carried out since 2015, and which have been the subject of an ongoing review by the FCA in recent years.

Any cost in respect of this is contingent on the FCA deeming certain transfers unsuitable, and also that the clients in question suffered financial detriment as a consequence. We have received independent advice calculating a worst case liability of £700,000, which covers compensation and professional fees. The Directors maintain that no unsuitable advice was given, and also note that no client has ever submitted a formal complaint in respect of the advice, so on this basis the matter is disclosed as a contingent liability rather than included as an accrual in the Financial Statements.

26 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	172,450	172,450
Between two and five years	677,526	677,526
In over five years	1,199,600	1,372,050
	2,049,576	2,222,026

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	103,260	39,425

27 Related party transactions **(Continued)**

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The partnership of Moore is considered to be a related party by the directors as some of the partners are related to the shareholders of the company.

Overhead expenditure amounting to £23,700 (2021: £27,650) has been recharged to the company by Moore. Included within this overhead expenditure is rent of £21,700 (2021: £22,150) per annum. There is a lease agreement in place for 17 years from 18 February 2009.

In addition, the company was charged Management charges amounting to £2,000 (2021: £5,500) by the partnership.

An amount of £3,864 (2021: £Nil) due to Moore remains unpaid at the year end. Of this balance £Nil (2021: £Nil) is included in accruals and £3,864 (2021: £Nil) is included in creditors.

Management fee of £18,500 (2021: £8,000) was charged by Huxloe Logistics Ltd, a company in which A C Urquhart is also a director.

An amount of £9,000 (2021: £2,500) due to Huxloe Logistics Ltd remains unpaid at the year end.

Telford Mann Limited owed £50,000 (2021: £50,000) to its subsidiary, Telford Mann Wealth Management Limited.

Telford Mann Limited owes £404,530 (2021: £736,865) from Telford Mann Holdings Limited, a company in which Jon Telford and Jilly Mann are also directors and owners. The following transactions took place with Telford Mann Holdings Ltd.

- A Motor Vehicle was sold for £34,894 (£Nil).
- Dividends of £581,589 (2021: £387,726) were paid
- Management fees amounting of £1,331,286 (2021: £1,963,527) were incurred from Telford Mann Holdings Ltd
- Rental payments of £152,450 were incurred (2021: £152,450). There is a lease agreement in place for 15 years from 22 September 2020.

Other transactions relate to repayment of loans.

In addition to the above, net costs were recharged to Ironstone Wellbeing Limited amounting to £Nil (2021: £15,500). At the year end £160 was owed to Ironstone Wellbeing Limited (2021: £24,588 was owed to Telford Mann Limited). Ironstone Wellbeing Limited is a company in which Jon Telford and Jilly Mann are directors and shareholders.

28 Directors' transactions

Dividends totalling £625,491 (2021: £418,050) were paid in the year in respect of shares held by the company's directors and their close connected parties.

29 Ultimate controlling party

Telford Mann Holdings is the immediate parent company.

There is no ultimate controlling party.

30 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	1,590,027	2,765,486
Adjustments for:		
Taxation charged	446,639	616,042
Finance costs	5,903	3,142
Investment income	(3,365)	(421)
Gain on disposal of tangible fixed assets	(1,791)	-
Depreciation and impairment of tangible fixed assets	94,490	103,590
Other gains and losses	109,839	13,047
Movements in working capital:		
Decrease/(increase) in debtors	1,441,694	(1,117,073)
(Decrease)/increase in creditors	(376,674)	838,728
Cash generated from operations	3,306,762	3,222,541

31 Analysis of changes in net funds

	1 October 2021	Cash flows	30 September 2022
	£	£	£
Cash at bank and in hand	2,245,484	1,968,115	4,213,599
Borrowings excluding overdrafts	(50,000)	-	(50,000)
Obligations under finance leases	(43,116)	43,116	-
	2,152,368	2,011,231	4,163,599