JAMES HAY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 December 2020

Registered in England & Wales No. 02506374

JAMES HAY HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2020.

1. Principal activity

The principal activity of James Hay Holdings Limited, company number 02506374 (the "Company") is providing head office and related services to its operating subsidiaries. The Company is a private limited company registered in England and Wales, and is incorporated and domiciled the United Kingdom.

IFG Group Limited (the "Group") is the parent undertaking of the smallest group of undertakings for which group financial statements and drawn up and of which the Company is a member.

2. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in "GBP" (£), which is the Company's presentation currency. All transactions are in GBP and the Company does not transact in other currencies.

3. Results and dividends

The profit after tax for the financial year is £90k (2019: £3,909k).

The Company did not pay an interim dividend (2019: £3.8m (£0.03 per share)).

No further dividends are recommended for payment.

4. Directors

The Directors who served throughout the year and to the date of this report unless otherwise indicated were as follows:

A Conway	(Resigned on 14 December 2020)
G Howard	(Appointed on 3 June 2020)
R A Rowney	(Appointed on 5 October 2020)

5. Statement of Directors' Responsibilities

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS as issued by the International Accounting Standards Board (IASB). The Company is transitioning from EU-adopted IFRS Standards to UK-adopted IFRS Standards for the first time for periods commencing on or after Implementation Period (IP) completion day defined as 31 December 2020. 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, International Accounting Standard 1 (IAS 1, 'Presentation of financial statements' requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

5. Statement of Directors' Responsibilities (continued)

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.

6. Directors' indemnities

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

7. Statement of Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above and in the Strategic Report on page 4. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. In addition, notes 3 and 4 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives, details of its financial instruments and its exposures to credit risk, market risk, liquidity risk and other risks.

The Directors have assessed the potential impact of Covid-19, including considerations of the Company's operational resilience and ability to meet its liquidity and capital requirements. In addition, the Directors have performed stress tests on liquidity and capital, for material financial risks including a market downturn and interest rate decreases. These provide assurance that the Company has sufficient capital and liquidity to operate under stressed scenarios.

The Directors believe, after reviewing both the Company's forecasts and projections and taking into account any likely changes in trading performance including the impact of Covid-19, Brexit and other risks, that the Company will have sufficient current financial resources to continue to operate and to meet its financial obligations as they fall due, for at least the 12 months from the date of approval of these financial statements.

8. Research and Development

The Group of companies including the Company continues to research and develop new financial services products (and supporting computer systems) and to improve existing ones.

9. Financial Risk Management

Financial risk management objectives and policies which have been implemented by executive management are set out in note 3 to the financial statements.

10. Financial Instruments

The Company's financial instruments comprise loans to group undertakings, borrowings, cash and liquid resources, and various items, such as debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken on its own behalf.

All assets, liabilities and transactions are denominated in GBP.

Further disclosures regarding financial risk management objectives and policies and the Company's exposure to principal risks can be found in note 3.

11. Significant events after the balance sheet date

Significant events after the balance sheet date disclosures are set out in Note 32 on page 30 of the financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

12. Auditor

Each of the Directors as at the date of approval of this report confirms that:

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

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

In accordance with Sections 485 and 487 of the Companies Act 2006, Deloitte LLP are deemed to have been re-appointed as auditor of the Company.

Approved by the Board of Directors and signed on their behalf by:

G Howard
Director

17 May 2021

Registered Office Address: Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF

JAMES HAY HOLDINGS LIMITED

STRATEGIC REPORT

1. Business review

The profit for the year attributable to owners amounted to £90k (2019: £3,909k).

The results of the Company are included in the financial statements on pages 12 to 31. The Company has made a profit before tax of £0m (2019: £3m profit before tax).

The Group manages its platform operations on a combined basis with other companies within the group. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group which includes the Company are discussed in the Group's Annual Report which does not form part of this Report.

The purpose of this Report is to provide information to the members of the Company and as such it is only addressed to those members. The Report may contain certain forward-looking statements with respect to the operations, performance and financial condition of the Company. By their nature, these statements involve inherent risks and uncertainties since future events, circumstances and other factors can cause results and developments to differ materially from the plans, objectives, expectations and intentions expressed in such forward-looking statements. Members should consider this when relying on any forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report and the Company undertakes no obligation to update any forward-looking statement during the year. Nothing in this Report should be construed as a profit forecast.

On 27th January 2021 the Company, along with fellow subsidiaries of the Group, entered into an agreement with FNZ (UK) Limited to outsource part of its operations and information technology services.

On 8th February 2021 the Company announced that an agreement has been reached with the Board of Nucleus Financial Group PLC ("Nucleus") on the terms of a recommended all cash offer to be made by the company, pursuant to which the Company is to acquire the entire issued and to be issued share capital of Nucleus at 188 pence per share. The Acquisition is intended to be effected by means of a court-sanctioned scheme of arrangement between Nucleus and the Nucleus Shareholders under Part 26 of the Companies Act 2006.

2. Principal risks and uncertainties

The Company's Board of Directors is responsible for the Company's risk management policies, which are designed to identify, manage, and mitigate potential material risks to the achievement of the Company's strategic and business objectives.

The mechanisms for identifying, assessing, managing, and monitoring risks, including internal controls, are an integral part of the management processes of the Company. Understanding the risks that are faced, and managing them appropriately, enables effective decision-making, contributes to the Company's competitive advantage and client focus, and helps achieve the strategic priorities of the Company.

The Company operates the three lines of defence model across all entities and continues to strengthen first and second line activities to manage/operate controls and develop management information and reporting to enhance risk management activities. The identification, mitigation and reporting of operational risks which could result in poor client outcomes and other conduct risks remain a key focus throughout the Company with further maturity of the conduct framework and reporting taking place on an ongoing basis. The activities performed by the third line of defence have been outsourced to an independent audit function, conducting a series of reviews across the company and reporting to the Board.

The directors believe that there are a number of potential risks to the Company that could impact successful implementation of its strategy. These risks may arise from internal and external events, acts and omissions. The Company's internal control systems are designed to manage and mitigate, rather than eliminate, the risk of failure to achieve objectives and can provide only reasonable, and not absolute, assurance against material financial misstatement or loss.

The Board recognises that the effective management of risk requires the involvement and commitment of people at every level of the organisation and seeks to encourage this through a culture of open communication in addition to the operation of formal risk management processes.

The Company's business is subject to the general risks to which all companies operating in the same market as the Company are subject. The markets in which the Company operates may be affected by numerous factors, many of which are beyond the Company's control and the exact effect of which cannot be accurately predicted.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

The principal risks and uncertainties facing the Company include adverse developments in the following areas:

- The regulatory, taxation or legislative environment applicable to the Company's activities;
- The intensity of competition in the markets in which the Company operates and changing demand for products and services;
- The economic, technological and other macro factors affecting demand for the Company's products and services;
- The Company's ability to successfully manage its costs and to maintain its profit margins during periods of declining income;
- The Company's ability to successfully manage its capital and liquidity
- The ability to attract and retain highly skilled employees and executives;
- The ability of the Company to avoid disruption to its key information technology systems;
- The maintenance of satisfactory relationships with key customers and intermediaries and the ability to attract and retain customers
- The ability to contain the level of loss arising from complaints from customers who have allegedly suffered losses as a result of administration errors
- The impact of the UK not being a member of the EU ("Brexit") and associated changes to regulation and tax legislation in the future, have the potential to fuel ongoing uncertainty which may have an impact on demand for services within the platform and financial planning/investment management markets, which could be positive or negative.
- The impact of a downward movement in interest rates which directly affect the level of interest margin that the company generated
- The impact of downward market movements which directly affect the value of fees charged where they relate to value of assets held
- The impact of falling victim to cybercrime and criminal activities (e.g. fraud and money laundering);
- The impact of the pandemic events e.g. coronavirus (Covid-19) and associated changes to government legislation
- The impact of the transfer of activities to FNZ (see note 32); and
- The impact of acquisition activities

The Directors monitor all of the above risks and take appropriate action to mitigate those risks or address their potential adverse consequences. Financial risk management objectives and policies which have been implemented by executive management are set out in note 3 to the financial statements.

3. COVID-19

The COVID-19 pandemic has had a considerable impact on many businesses, including the Company. The Directors expect these circumstances to be temporary, but their duration is uncertain. Employee welfare continues to be a priority for the Directors, whilst maintaining operational service to its clients. To ensure that a safe and effective control environment is maintained, the Company has implemented mitigating actions and processes. This included moving the majority of our colleagues to working from home whilst swiftly implementing effective social distancing across our sites that stayed open to enable a safe working environment for those colleagues who needed to be in the office.

The Company continues to support the physical and mental wellbeing of its staff by providing Mental Health First aiders and publishing self-help articles. The Company has adapted the communications channels, delivering CEO's 'town hall' and other virtual updates.

In assessing business continuity plans, the Company has maintained close communication with critical third-party suppliers and outsourcers. To date, the Company has not suffered any knock-on effects from its supply chain which continues to be monitor closely with emphasis on critical outsource arrangements. .

The travel and social distancing restrictions introduced by the Government have had a limited effect on the key operational processes of the Company. Currently, 90% of employees are working from home and the Directors believe that the company will be able to continue to function with minimal disruption to client's access to all the services normally provided.

The Board has considered the potential financial impact on the Company and are satisfied that even in a severe stress scenario the Company will have sufficient current financial resources to continue to operate and to meet its financial obligations as they fall due.

STRATEGIC REPORT (continued)

4. Brexit

Some of the uncertainty surrounding Brexit over the last few years has been removed through the exit of the UK from the EU at the end of January 2020. Nonetheless, the impact of Brexit on the Company remains difficult to predict. Any impact on equity markets and interest rates may also impact our revenue linked to market rates. Brexit remains a key potential source of such market fluctuations, which may also give rise to clients delaying their investment decisions or withdrawing funds from the platform, though this is generally a low risk as a large proportion of assets under administration and advice are held within tax-advantage wrappers. Conversely, market fluctuations may also result in significantly increased demand for professional financial advice, with positive impact on revenue.

The Company is well prepared and has undertaken extensive planning in relation to Brexit but it remains a source of uncertainty and a prolonged period of market turmoil or a significant economic downturn could potentially have material adverse consequences for the Company.

5. Corporate Social Responsibility

Corporate Social Responsibility is embedded into our policies and practices for the benefit of our stakeholders and the wider community. The Company is committed to integrating sustainable social, ethical, and environmental considerations into our operations with a long-term view of managing the wider environment and social footprint.

Investing in our community – The Company has a strong social conscience and encourages staff to give something back through charitable and voluntary activities. The Company supports staff through paid time off for volunteering and through a matched fundraising programme.

Investing in our environment – The Company recognizes its responsibility to conserve and protect the environment as far as possible. As a financial services business, the Company's main environmental impacts are primarily through consumption of resources and emissions at our business premises together with the employee travel. The Company is looking into reducing waste where possible and to minimise the environmental impact through sensible policies and initiatives.

6. S172 Statement: Duty to promote to success of the Company

S.172 of the Companies Act 2006 requires directors to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, directors should take into account factors which will affect the success of the company such as the long-term consequences of any decision, the interests of employees, the needs of its customers, relationships with suppliers, regulators and other stakeholders and the wider community and the company's reputation.

The Board seeks to maintain our reputation for high standards of business conduct. Consideration of the long-term consequences of our decisions and recognition of the need to act fairly between members of the company is integral to the way the Board operates and to the operation of the business as a whole. The relevance of each stakeholder group will be different for each issue considered by the Board. Therefore, it is important that the Board understands the needs of each stakeholder group during its discussions and as part of its decision making.

The views of stakeholders are heard by the Board through information provided by management and by Directors' direct engagement with stakeholders. The company's key stakeholders and the principal ways it engages with them are:

- Customers — "Think Customer" is one of our core behaviours and we regularly survey our customers and the advisers that serve them to understand their views. The results of each survey are analysed and shared with the Board. In addition, focus groups enable us to understand a range of views of individual customers and advisers. The Company also uses the Net Promoter Score to assess customers views of the overall service and proposition provided by the Company. In the event that we do not achieve the standards we expect, we always ensure that customers do not suffer any financial loss.

- Employees — The Board has identified "Enabling Culture" as one of the key pillars of our strategy and receives updates on the engagement of employees through a regular online survey. In addition, the Group has an Employee Forum which supports employee engagement with effective communication and help provide an employee voice. Through these groups employees are involved in the review and development of workforce policies and procedures and two-way dialogue is encouraged.

- Suppliers — The Group works with its suppliers to ensure performance and to identify opportunities for enhanced value and innovation. Business Relationship Managers hold regular meetings with key suppliers to ensure there is regular engagement in line with our procurement policies and practices.

STRATEGIC REPORT (continued)

6. S172 Statement: Duty to promote to success of the Company (continued)

- Regulators — As a regulated business we strive to "Do the right thing" at all times and we have an open and transparent dialogue with all relevant regulators.

- Community – We have worked with an independent advisor to review our environmental and social impacts and created a framework within which we set and monitor targets.

Approved by Board of Directors and signed on their behalf by:

G Howard
Director
17 May 2021

Registered Office Address: Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF

Independent auditor's report to the members of James Hay Holdings Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of James Hay Holdings Limited (the 'company'):
- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and,

except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation.

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

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

- Provisions in relation to legal costs incurred in the company's resolution of legacy issues that are subject to management's judgment as they are an estimate of the future costs to be incurred as a result of remediation activities or potential sanctions. In response we have assessed the calculation of the provision and completed retrospective testing of cases concluded during the period.

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

In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Andrew Partridge CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
17 May 2021

JAMES HAY HOLDINGS LIMITED

Statement of Comprehensive Income
For the years ended 31 December 2020 and 31 December 2019

	NOTES	Year ended 2020 £'000	Year ended 2019 £'000
Revenue	6	40,503	41,945
Administrative expenses	9	(40,471)	(41,945)
Exceptional costs	10	(32)	-
Operating profit	7	-	-
Investment income	12	-	3,800
Profit before tax		-	3,800
Income tax	13	89	109
Profit for the year		**89**	**3,909**

There was no other comprehensive income for the year. The total comprehensive profit for the year is wholly attributable to the equity holders of the company.

All results were derived from continuing operations.

The accompanying notes 1 to 34 on pages 16 to 31 are part of the financial statements.

JAMES HAY HOLDINGS LIMITED

Statement of financial position
As at 31 December 2020 and 31 December 2019

	NOTES	2020 £'000	2019 £'000
Non-current assets			
Intangible assets	15	10,393	6,653
Property, plant and equipment	16	965	1,071
Investments in subsidiaries	17	26,865	26,865
Deferred tax asset	19	106	117
Other financial assets	28	12,700	-
		51,029	**34,706**
Current assets			
Trade and other receivables	17	483	1,523
Cash and cash equivalents	19	1	1
		484	**1,524**
Total assets		**51,513**	**36,230**
Current liabilities			
Trade and other payables	21	15,754	12,833
Provisions	22	584	999
		16,338	**13,832**
Net current liabilities		**(15,854)**	**(12,308)**
Non-current liabilities			
Provisions	22	75	87
Borrowings	29	12,700	-
		12,775	**87**
Total liabilities		**29,113**	**13,919**
Net assets		**22,400**	**22,311**
Equity			
Share capital	23	18,375	18,375
Share premium account	24	3,360	3,360
Retained earnings	26	665	576
Total equity		**22,400**	**22,311**

The accompanying notes 1 to 34 on pages 16 to 31 are part of the financial statements.

The Company is registered in England and Wales No. 02506374.

The financial statements were approved by the board of Directors and authorised for issue on 17 May 2021. They were signed on its behalf by:

G Howard
Director

Statement of Changes in Equity
For the years ended 31 December 2020 and 31 December 2019

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2019	**18,375**	**3,360**	**1**	**467**	**22,203**
Dividends paid	-	-	-	(3,800)	(3,800)
Profit for the year / Other comprehensive income	-	-	-	3,909	3,909
Other reserves movement	-	-	(1)	-	(1)
Balance at 31 December 2019	**18,375**	**3,360**	**-**	**576**	**22,311**
Balance at 1 January 2020	**18,375**	**3,360**	**-**	**576**	**22,311**
Dividends paid	-	-	-	-	-
Profit for the year / Other comprehensive income	-	-	-	89	89
Other reserves movement	-	-	-	-	-
Balance at 31 December 2020	**18,375**	**3,360**	**-**	**665**	**22,400**

The Statement of Comprehensive Income outlined on page 10 and the accompanying notes 1 to 34 on pages 16 to 31 are part of the financial statements.

JAMES HAY HOLDINGS LIMITED

Cash Flow Statement
For the years ended 31 December 2020 and 31 December 2019

	NOTE	Year ended 2020 £'000	Year ended 2019 £'000
Cash flows from operating activities	27	7,126	3,253
Tax paid		(114)	(120)
Net cash generated from operating activities		**7,012**	**3,133**
Cash flows from Investing activities			
Interest received	13	-	-
Dividends received	13	-	3,800
Purchase of intangible assets	15	(6,595)	(2,719)
Purchase of tangible assets	16	(417)	(418)
Loans to subsidiary	28	(7,700)	-
Net cash (used in) / generated investing activities		**(14,712)**	**663**
Cash flows from Financing activities			
Dividends paid	26	-	(3,800)
Proceeds from borrowings	29	7,700	-
Net cash used in financing activities		**7,700**	**(3,800)**
Net decrease in cash and cash equivalents		-	(4)
Cash and cash equivalents at beginning of year		1	5
Cash and cash equivalents at end of year	20	**1**	**1**

The accompanying notes 1 to 34 on pages 16 to 31 are part of the financial statements.

Notes to the financial statements
For the years ended 31 December 2020 and 31 December 2019

1. General Information

The principal activity of James Hay Holdings Limited, company number 02506374 (the "Company") is providing head office and related services to its operating subsidiaries. The Company is a private limited company registered in England and Wales, limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Dunn's House, St Paul's Road, Salisbury, Wiltshire, England, SP2 7BF.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Statement of compliance

The Financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union that are effective or available for early adoption at the Company's reporting date. The Company, in addition to complying with its legal obligation to comply with IFRS as adopted for use in the European Union, has also complied with the IFRS as issued by the International Accounting Standards Board (IASB).

The Company is in transitioning from EU-adopted IFRS Standards to UK-adopted IFRS Standards for the first time for periods commencing on or after Implementation Period (IP) completion day defined as 31 December 2020.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on the going concern basis as disclosed in the Directors' statement of going concern set out in the Report of the Directors. The financial statements have also been presented and rounded to the nearest thousand.

The company has exercised the exemption under Section 400 of the Companies Act 2006, which dispenses with the requirement to prepare group accounts. This is also in line with the exemption in IAS 27 'Separate Financial Statements'. The results of the Company are included within the group accounts of IFG Group Limited, the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member, see note 30.

Adoption of new and revised standards

In 2020, the Company adopted the following new standards.

- 'Conceptual Framework for Financial reporting' issued in March 2018 (the Framework) –IASB has released its revised Framework, which is effective immediately and contains changes that will set a new direction of IFRSs in the future. It is therefore helpful for stakeholders to understand the concepts in the Framework and the potential ways in which they might impact future guidance. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

- 'Definition of Material (Amendments to IAS 1 and IAS 8)' – IASB clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves. These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; i) clarify the explanation of the definition of material; and ii) incorporate some of the guidance in IAS 1 about immaterial information.

- Definition of a Business (Amendments to IFRS 3) – The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

- 'Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)' – IAS issued the amendments as a first reaction to the potential effects the Interbank Offered Rate (IBOR) reform could have on financial reporting. The amendment requires disclosure of the nominal amount of hedging instruments to which the reliefs are applied, any significant assumptions or judgements made in applying the reliefs, and qualitative disclosures about how the entity is impacted by IBOR reform and is managing the transition process.

2. Summary of significant accounting policies (continued)

Adoption of new and revised standards (continued)

The Company have evaluated these requirements and they do not have significant impact to the Company's financial statements.

New and revised IFRSs in issue but not yet effective at the date of authorisation of these financial statements

The following new and revised standards, amendments and interpretations which have been issued, but not yet effective or have not been adopted early by the Company:

The Company is currently evaluating the requirements of the standards and amendments. The Company do not anticipate that the application of these in the future will have material impact on the Company's financial statements.

- 'Presentation of financial statements' – Classification of liabilities as current or non-current (Amendments to IAS 1). The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments
  (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
  (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
  (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) - The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual periods beginning on or after 1 January 2022.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS16) – The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022.

- '2018-2020 Annual Improvements cycle' - On 14 May 2020, the IASB issued 'Annual Improvements to IFRS Standards 2018–2020'. The pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project. The Annual improvements make minor amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

There are other standards and interpretations in issue not listed above. These are not considered applicable to the business.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in "GBP" (£), which is the Company's presentation and functional currency. All transactions are in GBP and the Company does not transact in other currencies.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents management recharges made to subsidiary companies and interest income.

Management recharges are recognised on an accruals basis. Interest income is accrued on a time basis.

Notes to the financial statements

For the years ended 31 December 2020 and 31 December 2019

2. Summary of significant accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairment. The Company determines whether it is necessary to recognise an impairment loss on its investment in subsidiary. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the Subsidiary and its carrying value, and then recognises the loss in the statement of comprehensive income.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any recognised impairment loss.

Software development costs are capitalised when they are associated with identifiable and unique software products that are expected to provide economic benefits and the cost of these products can be measured reliably. Internally developed software meeting these criteria and externally purchased software are classified in intangible assets on the balance sheet. Costs associated with maintaining software programmes are expensed as incurred. Amortisation is recognised to write off the cost of the assets over their useful life which are expensed in the income statement using the straight-line method on the following bases:

Software	20%

Other intangible assets are stated at cost less provisions for amortisation and impairment. Customer relationships acquired as part of a business combination are amortised over their estimated useful lives from the time they are first available for use. The estimated useful lives are determined at acquisition date are deemed to be 5 years. The residual value and useful lives of other intangible assets are reviewed and adjusted at the end of each reporting period, if appropriate.

Property, plant and equipment

Property, plant and equipment is stated at cost, or deemed cost, less accumulated depreciation and any recognised impairment losses. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the replaced item can be measured reliably. The carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated as an expense in the income statement over their useful economic life on a straight-line basis at the following rates:

Office equipment	20%
Computer equipment	20%

The residual value and useful life of property, plant and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period. On disposal of property, plant and equipment, the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the Income Statement.

Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provision of the instrument and are initially measured at fair value. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value through profit or loss (FVTPL) depending on the classification of the financial assets. Financial assets at FVTPL are measured at fair value at the end of each reporting period with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets

At each statement of financial position date, the Company assesses whether, as a result of one or more events occurring after initial recognition, Evidence of impairment may include indications that the borrower or group of borrowers have defaulted or are experiencing there is objective evidence that significant financial difficulty.

Notes to the financial statements

For the years ended 31 December 2020 and 31 December 2019

2. Summary of significant accounting policies (continued)

Impairment of financial assets (continued)

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

A provision for impairment of trade receivables is made in accordance with IFRS 9 'Financial instruments'. The amount of the provision is equal to the expected credit loss (ECL) at each reporting date calculated based on the Company's ECL model. The Company recognises lifetime expected credit losses for trade receivables and other receivables. The ECL percentages have been calculated based on empirical data in respect of historic recoverability of debts, combined with consideration given to how the characteristics of debts have changed over time and/or are likely to change in future. This model considers both historic losses incurred and any anticipated changes to expected losses in the future in order to arrive at an expected credit loss.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments. They arise when the entity provides money or services directly to a customer. Trade and receivables are initially recognised at fair value on the balance sheet and subsequently amortised. They are derecognised when the rights to receive cash flows have expired or the entity has transferred substantially all of the risks and rewards of ownership. Other receivables also represent client money required to meet settlement obligations.

Trade and other receivables are stated after impairment.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Income tax

The income 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 or loss 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 end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to be become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

2. Summary of significant accounting policies (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short term investments in securities. The carrying amount of these assets is equal to their fair value.

Financial liabilities

Financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value and subsequently at amortised cost.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits would be required to settle the obligation and the amount has been reliably estimated The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions for exceptional items

The financial statements include provisions to cover certain legal costs expected to be incurred in relation to remediation activity. The provisions recorded represent management's best estimate of the exposures based on information available at the time of the approval of the financial statements.

Accounting for exceptional items

The Company has adopted an income statement format which seeks to highlight significant items within the company's results for the year. Such items include remediation expenditure and potential sanction charges. Judgement is used by the company in assessing the particular items, which by virtue of their scale and nature are disclosed in the Income Statement and notes as exceptional items. These items require separate disclosure in the financial statements to facilitate a better understanding of the company's financial performance.

Notes to the financial statements

For the years ended 31 December 2020 and 31 December 2019

2. Summary of significant accounting policies (continued)

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3. Financial Risk Management

The Company's activities expose it to a number of financial risks: credit risk and liquidity risk. The Group's Finance function seeks to reduce the Group's exposure to interest rate and other financial risks. It also ensures surplus funds are managed and controlled in a manner which will protect capital sums invested and ensure adequate short-term liquidity, whilst maximising returns. It operates policies and procedures which are periodically reviewed and approved by the Board of Directors. The board provides written policies for overall risk management. Formal standing committees, Executive Risk Committee and Risk and Audit Committee, are maintained for effective management of oversight.

Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations and may result in the Company losing the principal amount lent, the interest accrued and any unrealised gains, less any security held. It occurs in intercompany assets and cash held by the Company. Inter-company balances are settled monthly. Cash is held with Santander UK Plc, which has a short-term credit rating risk of S&P A-1 (2019: S&P A-1).

Maximum exposure to credit risk is £0.3m (2019: £1.5m).

Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due or can secure them only at excessive cost.

The Company manages liquidity risk by maintaining sufficient liquid resources to ensure it can meet its obligations as they fall due. The Company reviews its capital and liquid resources position on a monthly basis.

Maturities of financial liabilities

At 31 December 2020	Demand £'000	Up to 3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Amounts due to group companies	15,754	-	-	12,700	-	28,454
Total financial liabilities	**15,754**	**-**	**-**	**12,700**	**-**	**28,454**

At 31 December 2019	Demand £'000	Up to 3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Amounts due to group companies	12,833	-	-	-	-	12,833
Total financial liabilities	**12,833**	**-**	**-**	**-**	**-**	**12,833**

Market risk

Market risk is the potential for loss of income or decrease in the value of net assets caused by movements in the levels and prices of financial instruments. The majority of market risk arises as a result of changes in interest rates however this has an immaterial impact to the Company.

Operational risk

Operational risk is the potential for loss of income or decrease in the value of net assets caused by errors in the administration of pension schemes and self-invested personal pension schemes, or of impact of operational resilience failings such as lack of business continuity provision. These risks are managed on a daily basis through internal controls and formal standing committees are maintained for effective management of oversight.

3. Financial Risk Management (continued)

Brexit

Some of the uncertainty surrounding Brexit over the last few years has been removed through the exit of the UK from the EU at the end of January 2020. Nonetheless, the impact of Brexit on the Company remains difficult to predict. Any impact on equity markets and interest rates may also impact our revenue linked to market rates. Brexit remains a key potential source of such market fluctuations, which may also give rise to clients delaying their investment decisions or withdrawing funds form the platform, though this is generally a low risk as a large proportion of assets under administration and advice are held within tax-advantage wrappers. Conversely, market fluctuations may also result in significantly increased new business and market related fees.

The Company is well prepared and has undertaken extensive planning in relation to Brexit but it remains a source of uncertainty and a prolonged period of market turmoil or a significant economic downturn could potentially have material adverse consequences for the Company.

COVID-19

The COVID-19 pandemic has had a considerable impact on many businesses, including the Company. The Directors expect these circumstances to be temporary, but their duration is uncertain. The full impact of the pandemic remains difficult to predict but so far has impacted the levels of new business, customer attrition, trade receivables, fund withdrawals, stock market levels and interest rates all of which have had adverse consequences for the Company. The Company continues to review its risk management and internal control system to identify any areas that require further attention or action. Whilst some risks have increased, the Company's controls continue to mitigate this increase in risk.

4. Capital management and resources

The Company's parent undertaking of the smallest group of undertakings is IFG Group Ltd. The IFG Group Ltd Board is responsible for capital management strategy and policy and ensuring that capital resources are appropriately monitored and controlled within regulatory and internal limits within the IFG Group of companies.

The Group's primary objective in respect of capital risk management is to safeguard its ability to continue as a going concern in order to provide returns for its members.

The Group may on occasion adjust the amount of dividends paid out to its members, return capital to members and issue new shares or buy back shares as the need arises.

Capital is monitored on the basis of the gearing ratio which is calculated as net debt divided by total capital. Net debt is calculated as the sum of total borrowings and contingent consideration on acquisitions less cash and cash equivalents. Total capital is calculated as total equity as shown in the balance sheet plus net debt.

5. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions to determine the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following critical judgements, apart from those involving estimations (which are presented separately), have been made by the directors in applying the Company's accounting policies

- Provisions for exceptional items (see note 22)
- Contingent liabilities (see note 33)

Notes to the financial statements
For the years ended 31 December 2020 and 31 December 2019

5. Critical accounting judgements and key sources of estimation uncertainty

Key Sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The estimates and associated assumptions are based on the Company's historical experience and other relevant factors. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Due to the uncomplicated nature of the business transactions of the Company, there are no 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 other than provisions set out in note 22 and contingencies set out in note 33.

6. Revenue

An analysis of the Company's revenue is as follows:

Continuing operations	2020 £'000	2019 £'000
Management recharges	40,503	41,945
	40,503	**41,945**

Management recharges represents the value of services provided to the Company's subsidiaries for the administration of self-invested personal pensions and personal investments. This includes provision of all staff, computer and administrative systems and procedures as well as other support services. Further disclosures are set out in Note 30 of the financial statements.

Segmental Analysis

The Company recognises its revenue as being earned from one UK segment, as a holding company providing head office and related services to its operating subsidiaries.

7. Operating profit

Operating profit before tax has been arrived at after charging:

	Note	2020 £'000	2019 £'000
Amortisation	15	2,856	2,607
Depreciation	16	523	455
Auditors' remuneration	8	13	11

The Company recharged all of the costs to its subsidiary companies.

8. Auditors' remuneration

	2020 £'000	2019 £'000
Audit services		
- statutory audit	13	11
- other assurance related services	-	-
Total	13	11

Auditors' remuneration was paid by Company's subsidiaries (James Hay Administration Company Limited and James Hay Wrap Managers Limited) and other companies in the IFG Group (IPS Pensions Limited and IPS Partnership Limited).

9. Administrative expenses

Expenses by nature:

	2020 £'000	2019 £'000
Staff costs (note 11)	21,665	21,715
Depreciation	523	455
Amortisation	2,855	2,607
Other administrative costs*	15,428	17,168
	40,471	**41,945**

*Other administrative costs include recharges from James Hay Partnership Management Limited.

Notes to the financial statements

For the years ended 31 December 2020 and 31 December 2019

10. Exceptional costs

	2020 £'000	2019 £'000
Legal costs	32	-
	32	-

Legal costs in relation to remediation activity.

11. Staff costs

All James Hay Partnership staff is employed by a number of fellow subsidiary companies. The average number of employees employed by other companies for which recharges were made to the Company for the year was 588 (2019: 541). James Hay Holdings Limited recharged all of these costs to its subsidiary companies (James Hay Administration Company and James Hay Wrap Managers).

12. Directors' emoluments

The emoluments of the Directors were paid by other company's subsidiaries (James Hay Administration Company and James Hay Wrap Managers) and other companies in the IFG Group (IPS Pensions Limited and IPS Partnership Limited) and do not relate to qualifying services to this entity.

13. Investment income

	2020 £'000	2019 £'000
Interest on bank deposits	-	-
Dividends received	-	3,800
	-	3,800

14. Income tax

	2020 £'000	2019 £'000
UK corporation tax		
Current year	-	(29)
Prior Year	(101)	-
	(101)	(29)
Deferred tax (note 19)		
Current year	26	(80)
Prior Year	(15)	-
	11	(80)
Total credit for the year	**(90)**	**(109)**

Corporation tax is calculated at 19% (2019: 19%) of the estimated assessable profit for the year.

The credit for the year can be reconciled to the profit per the income statement as follows:

	2020 £'000	2019 £'000
Profit before tax		
Continuing operations	-	3,800
Tax at the UK corporation tax rate of 19% (2019: 19%)	-	722
Tax effect of expenses that are deductible in determining taxable profit	203	(118)
Non-taxable income	-	(722)
Tax effect of change in rate on deferred tax position	-	9
Adjustments in respect of prior periods	(113)	-
Tax charge / (credit) for the year	**(90)**	**(109)**

Notes to the financial statements
For the years ended 31 December 2020 and 31 December 2019

15. Intangible assets

	Customer relationship £'000	Software £'000	Total £'000
Cost			
At 1 January 2019	2,138	11,509	13,647
Additions	-	2,719	2,719
At 31 December 2019	**2,138**	**14,228**	**16,366**
Additions	-	6,595	6,595
At 31 December 2020	**2,138**	**20,823**	**22,961**
Accumulated amortisation			
At 1 January 2019	(1,285)	(5,821)	(7,106)
Charge for the year	(428)	(2,179)	(2,607)
At 31 December 2019	**(1,713)**	**(8,000)**	**(9,713)**
Charge for the year	(319)	(2,536)	(2,856)
At 31 December 2020	**(2,032)**	**(10,536)**	**(12,568)**
Net book value 2019	**425**	**6,228**	**6,653**
Net book value 2020	**106**	**10,287**	**10,393**

16. Property, plant and equipment

	Office equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2019	202	1,911	2,113
Additions	82	336	417
At 31 December 2019	**284**	**2,247**	**2,531**
Additions	16	401	417
At 31 December 2020	**300**	**2,648**	**2,948**
Accumulated depreciation			
At 1 January 2019	(59)	(946)	(1,005)
Charge for the year	(47)	(408)	(455)
At 31 December 2019	**(106)**	**(1,354)**	**(1,460)**
Charge for the year	(57)	(466)	(523)
At 31 December 2020	**(163)**	**(1,820)**	**(1,983)**
Net book value 2019	**178**	**893**	**1,071**
Net book value 2020	**137**	**828**	**965**

Notes to the financial statements
For the years ended 31 December 2020 and 31 December 2019

17. Investments in subsidiaries

The following is a list of the principal subsidiary undertakings of the Company:

Name of subsidiaries	Place of incorporation ownership (or registration) and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
James Hay Wrap Managers Limited	England and Wales	100	100	Portfolio administration services for personal investments and small self-invested pension schemes
James Hay Services Limited	Jersey	100	100	Provider of self-invested personal pension schemes
James Hay Administration Company Limited	England and Wales	100 (Indirect)	100 (Indirect)	Administration of self-invested personal pension schemes
James Hay Pension Trustees Limited	England and Wales	100 (Indirect)	100 (Indirect)	Trustee of self-invested personal pension schemes
James Hay Wrap Nominee Company Limited	England and Wales	100 (indirect)	100 (indirect)	Dormant
Sarum Trustees Limited	England and Wales	100 (indirect)	100 (indirect)	Dormant
James Hay Partnership	England and Wales	100 (indirect)	100 (indirect)	Dormant

All subsidiaries (other than James Hay Services Limited (formerly known as James Hay Insurance Company Limited) registered at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH) are registered at Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF.

Investments in subsidiary companies are shown at cost less provision for impairment. The company has exercised the exemption under Section 400 of the Companies Act 2006, which dispenses with the requirement to prepare group accounts. This is also in line with the exemption in IAS 27 'Separate Financial Statements'.

	£'000
Cost	
At 1 January and 31 December 2019	38,700
At 31 December 2020	38,700
Impairment	
At 1 January and 31 December 2019	11,835
At 31 December 2020	11,835
Net book value 2019	**26,865**
Net book value 2020	**26,865**

18. Trade and other receivables

	2020 £'000	2019 £'000
Amounts due from group companies	483	1,523
	483	**1,523**

The amounts due from group companies are unsecured, non-interest bearing and repayable on demand. There are no loss allowances on intercompany balances as the risk of default is minimal.

Notes to the financial statements
For the years ended 31 December 2020 and 31 December 2019

19. Deferred tax

Deferred income taxes are calculated on temporary differences under the liability method using the tax rates that are expected to apply when the liability is settled, or the asset is realised. The effective rate for 2020 is 19% (2019: 19%). The following are the deferred tax assets recognised by the company and the movements thereon during the current and prior reporting period.

	Accelerated capital allowances £'000	Other short term timing differences £'000	Total £'000
At 1 January 2019	27	10	37
Charge / (credit) to income	90	(10)	80
At 31 December 2019	117	-	117
Charge / (credit) to income	(198)	187	11
At 31 December 2020	**(81)**	**187**	**106**

The above asset does not expire and will reverse as capital allowances are claimed or when the short term timing differences resolve. Deferred tax has been calculated at 19% (2019: 19%). On 3rd March 2021 as part of the 2021 budget, the Government announced that Corporation Tax will increase to 25% from 1st April 2023, this does not materially change the deferred tax assets and liabilities of the company.

20. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	1	1
	1	**1**

21. Trade and other payables

	2020 £'000	2019 £'000
Amounts due to group companies	15,754	12,833
	15,754	**12,833**

The amounts due to group companies are unsecured, non-interest bearing and repayable on demand.

22. Provisions

	2020 £'000	2019 £'000
Complaints and pricing provision	659	277
Legal cost provision	-	809
	659	**1,086**
Included in liabilities due within one year	584	999
Included in liabilities due in more than one year	75	87

	Complaints and pricing £'000	Legal cost £'000	Total £'000
At 1 January 2019	114	1,019	1,133
Provision movement in the year	316	-	316
Utilisation of provision	(153)	(210)	(363)
Net provision movement for the year	163	(210)	(47)
At 31 December 2019 and 1 January 2020	**277**	**809**	**1,086**
Provision movement in the year	680	32	712
Utilisation of provision	(298)	(841)	(1,139)
Net provision movement for the year	382	(809)	(427)
At 31 December 2020	**659**	**-**	**659**
Included in liabilities due within one year	584	-	584
Included in liabilities due in more than one year	75	-	75
	659	**-**	**659**

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22. Provisions (continued)

Provisions relate to management's best estimate of potential future costs the Company may incur in relation to the resolution of a number of issues, including possible sanctions and customer detriment.

In 2019 the company had provided £809k for legal fees in relation to remediation to HMRC sanction charges relating to the Company's inception of Elysian Fuels investments between 2011-2015 which had been flagged as contingent liabilities in previous reports. All sanction issues and corresponding legal costs were settled or resolved in 2020, therefore no provision is held at 31 December 2020.

23. Called up share capital

	2020 £'000	2019 £'000
Authorised:		
200,000,000 ordinary shares of £0.10 each	20,000	20,000
1,996,612 deferred shares of £0.10 each	200	200
At 31 December	**20,200**	**20,200**
Issued and fully paid:		
181,753,848 ordinary shares of £0.10 each	18,175	18,175
1,996,612 deferred shares of £0.10 each	200	200
At 31 December	**18,375**	**18,375**

The Company has one class of ordinary shares which carry no right to fixed income and one class of deferred shares.

Deferred shareholders have no voting rights in the Company, no rights to receive any dividends and no rights to participate in a surplus on a winding up. Deferred shareholders have the right to receive a return of capital only after the sum of £10,000,000 has been paid in respect of each ordinary share.

24. Share premium account

	£'000
Balance at 1 January and 31 December 2019	3,360
Balance at 31 December 2020	**3,360**

25. Other reserves

	£'000
Balance at 1 January 2019	1
Movement for year	(1)
Balance at 31 December 2019	**1**
Movement for year	-
Balance at 31 December 2020	**-**

Other reserves relate to the Company's share of the fair value of the employee services received in exchange for the equity instrument granted by the Group.

26. Retained earnings

	£'000
Balance at 1 January 2019	467
Dividends paid	(3,800)
Profit for the year	3,909
Balance at 31 December 2019	**576**
Balance at 1 January 2020	576
Dividends paid	-
Profit for the year	89
Balance at 31 December 2020	**665**

Notes to the financial statements
For the years ended 31 December 2020 and 31 December 2019

27. Notes to the cash flow statement

	Note	2020 £'000	2019 £'000
Profit before tax		-	-
Adjustments for:			
Depreciation on property, plant and equipment	15	523	455
Amortisation of software capitalisation and other intangibles	14	2,856	2,607
Net decrease in provision	21	(428)	(47)
Research and development tax credit		(12)	-
Movement in other reserves		-	(1)
Operating cash flows before movements in working capital		**2,939**	**3,014**
Decrease / (increase) in trade and other receivables		4,171	(897)
Increase in trade and other payables		16	1,136
Cash flow generated from operating activities		**7,126**	**3,253**

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

28. Other financial assets

	2020 £'000	2019 £'000
Loans to related parties	12,700	-
	12,700	-

During the year, the Company has provided non-interest-bearing loan to subsidiary, James Hay Services Limited.

29. Borrowings

	2020 £'000	2019 £'000
Loans from related parties	12,700	-
	12,700	-

During the year, the Company has received non-interest-bearing loans from immediate the parent company, IFG UK Holdings Limited.

30. Related party transactions

Transactions with Directors, key management personnel and their connected persons

There were no related party transactions during the year, or existing at the balance sheet date other than those disclosed below with the Company or parent company's Key Management Personnel. Key Management Personnel are defined as the Directors of the Company, the Board and Executive Committee of IFG Group Ltd.

Trading transactions

The Company is party to the Provisions of Services contract dated 10 March 2010, between James Hay Partnership Management Limited, the Company and its subsidiaries, James Hay Pension Trustees Limited, James Hay Services Limited, James Hay Wrap Managers Limited, James Hay Administration Company Limited and James Hay Wrap Nominee Company Limited. Under this contract James Hay Holdings Limited, on a non-exclusive basis, provides all services in relation to the conduct of the business of its subsidiaries, James Hay Administration Company Limited and James Hay Wrap Managers Limited, and their dealings with customers. This includes the provision of all staff, computer and administrative systems and procedures and other support services, which under the agreement James Hay Holdings Limited procures from James Hay Partnership Management Limited UK Limited and recharges on to these two subsidiaries.

Notes to the financial statements

For the years ended 31 December 2020 and 31 December 2019

30. Related party transactions (continued)

Trading transactions (continued)

During the year, the Company entered into the following transactions with related parties:

	Income		Expenditure		Amounts owed by *related parties*		Amounts owed to *related parties*	
	Year Ended 2020 £'000	Year Ended 2019 £'000	Year Ended 2020 £'000	Year Ended 2019 £'000	Year Ended 2020 £'000	Year Ended 2019 £'000	Year Ended 2020 £'000	Year Ended 2019 £'000
Entities with significant influence over the Company – non cash	-	-	-	-	-	-	23,036	10,336
Subsidiaries	40.503	41,945	-	-	12,908	1,474	2,905	-
Fellow subsidiaries	-	-	36,723	38,722	-	-	2,513	2,497

During the year, the Company has recharged its subsidiaries, James Hay Administration Company Limited and James Hay Wrap Managers Limited £37.3m and £3.2m respectively (2019: £38.8m and £3.1m) for the provision of staff, computer and administrative systems and procedures and other support services.

The Company was recharged by its associated company James Hay Partnership Management UK Limited £36.7m (2019: £36.8m) for provision of staff, computer, administrative systems and procedures and other support services including exceptional costs.

The Company was recharged by its associated company IFG Securities Limited £nil (2019: £0.9m) for provision management services of which £nil (2019: £50k) remains outstanding at the year end.

The Company was recharged by its associated company IFG Group UK Limited £nil (2019: £0.9m) for provision management services of which £nil (2019: £10k prepayment at the year-end) remains outstanding at the year end.

The Company received dividends from James Hay Services Limited of £nil (2019: £3.8m).

During the year, the Company has paid dividends of £nil to IFG UK Holdings Limited (2019: £3.8m).

There were no transactions between the Company and the parent undertaking of the smallest group of undertakings company, IFG Group Ltd including the ultimate parent company, MonteCarloCo Limited.

31. Remuneration of key management personnel

Key management personnel are defined as the Directors of the Company, the Board and Executive Committee of IFG Group Ltd and its parent undertaking of the smallest group of undertakings company, IFG Group Ltd. The remuneration for the Board and Executive Committee of IFG Group Ltd for the current and preceding years has been borne by other group companies.

32. Significant events after the balance sheet date

On 8th February 2021 the Company announced that an agreement has been reached with the Board of Nucleus Financial Group PLC ("Nucleus") on the terms of a recommended all cash offer to be made by the company, pursuant to which the Company is to acquire the entire issued and to be issued share capital of Nucleus at 188 pence per share. The Acquisition is intended to be effected by means of a court-sanctioned scheme of arrangement between Nucleus and the Nucleus Shareholders under Part 26 of the Companies Act 2006.

On 3rd March 2021 as part of the 2021 Budget statement, the Government announced that Corporation tax would increase to 25% from 1st April 2023. This will have an immaterial impact on deferred tax assets and liabilities of the company.

On 23rd March the Board approved a transfer of £1.1m capital contribution from James Hay Holdings Limited to James Hay Administration Company Limited as additional regulatory capital.

The Directors have considered the position of the Company at the date of signing these financial statements and do not consider the post balance sheet effect to be material to the assets and liabilities of the company.

Notes to the financial statements

For the years ended 31 December 2020 and 31 December 2019

33. Commitments and contingencies

The Company has no commitments as at 31 December 2020 other than disclosed below.

The Company periodically receives customer complaints or requests from Revenue Authorities or Regulators arising out of its on-going business operations or that of its subsidiaries, a small number of these matters were under review at year end. The Company could face a loss arising from customer complaints, failure to comply with relevant legislation or failure to deliver good customer outcomes, including claims, sanctions or penalty charges from Revenue Authorities or Regulators relating to the advice given on, or the administration of, our client's assets. Any potential liability for such matters can only be determined once the full circumstances are examined and the status of the relevant regulatory compliance determined, matters which remain uncertain until conclusion of an internal review processes.

Any exposures, once known, are promptly settled where appropriate, or provided for where the outcome is known with some certainty. It is not always practical to reliably estimate the quantum of any further liability that may arise relating to such matters however, if such claims were to materialise, they are generally recoverable against the underlying client's assets or in some instances covered by insurance arrangements. The Company will continue to reassess these matters and make provision where the outcome is known with sufficient certainty.

Given the nature of the business the Company undertakes, it may from time to time receive complaints against it. The Company has procedures in place to assess the veracity of the claims and provision has been made to cover its best estimate of the exposure in respect of these matters which requires significant judgement and subjective assumptions. No provisions have been recorded for other contingencies, as the Company's obligations under them are not probable and estimable.

34. Parent undertaking and controlling party

The Company's immediate parent company is IFG UK Holdings Limited, a company incorporated and registered in England and Wales.and MonteCarloCo Limited, a company incorporated and registered in Jersey is the ultimate parent company in the group. IFG Group Limited is the parent undertaking of the smallest group of undertakings for which group financial statements and drawn up and of which the Company is a member. Epiris GP Limited, a company incorporated and registered in Jersey, controls as general partner the following partnerships, Epiris Fund II LP, Epiris Fund II (B) LP, Epiris Fund II FFP LP and Epiris TC LP which hold the shares in MonteCarloCo Limited.

Copies of group financial statements, which include the results of the Company, are available from the Company Secretary, IFG Group Ltd. Registered office: 70 Sir John Rogerson's Quay, Grand Canal Dock, Dublin D02 R296.