

Registered number: 02752304

# **ROWAN DARTINGTON & CO. LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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**ROWAN DARTINGTON & CO. LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	G Cockerill R Gardner D Hobbs S Jones R Jukes M Leather F Richards
<b>Company Secretary</b>	St. James's Place Corporate Secretary Limited
<b>Registered Number</b>	02752304
<b>Registered Office</b>	St. James's Place House 1 Tetbury Road Cirencester Gloucestershire GL7 1FP
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

## **ROWAN DARTINGTON & CO. LIMITED**

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## ROWAN DARTINGTON & CO. LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### INTRODUCTION

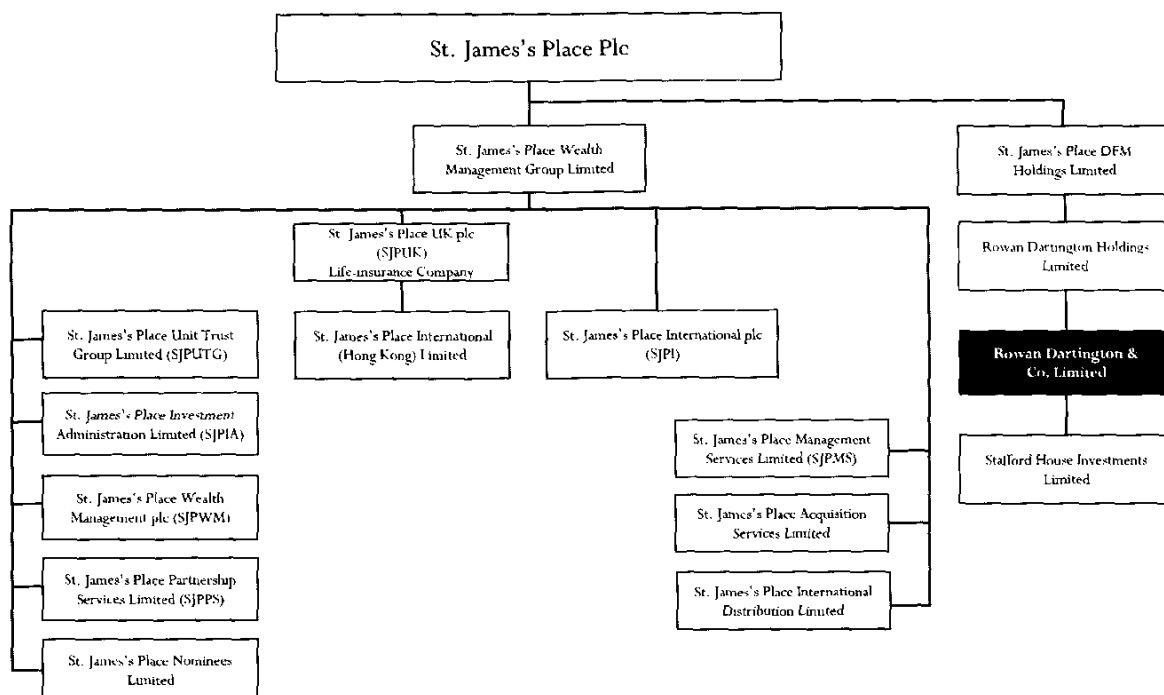
Rowan Dartington & Co. Limited ("the Company") is a wholly-owned subsidiary of Rowan Dartington Holdings Limited within the St. James's Place ("SJP") Group. The ultimate parent company of the SJP Group is St. James's Place plc.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

The Company is a private limited company, incorporated and domiciled in the United Kingdom, and registered in England and Wales.

#### Group Overview

St. James's Place is an award-winning wealth management group and a FTSE 100 business with a track record of strong growth. An extract of the group structure is shown below.



The Company was acquired by the St. James's Place Group in 2016 to augment its overall client offering with a Discretionary Fund Management option. The Company offers discretionary investment management and advisory broking services across the UK to clients of the SJP Partnership, through Independent Financial Advisors, and directly to private clients. The Company also offers discretionary investment management to clients of the SJP Partnership based in Asia. The Company manages this offering from its base in the UK.

The Company owns a 100% holding in Stafford House Investments Limited ("SHI") which provides independent fee based financial and tax solutions to private clients, businesses, trustees, solicitors and accountants.

## **ROWAN DARTINGTON & CO. LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **BUSINESS REVIEW**

During the year, £8.0m of capital was injected into the Company to enable continuing growth. The Company has successfully grown funds under management (FUM) by 24% to £3.72bn (2020 - £3.00bn) during the year despite the ongoing challenges of the external environment. Gross new business flows were also up 24% to £772m (2020 - £620m).

The acquisition of the Company by SJP in 2016 and the resulting conscious investment in the future growth plans of the Company led to a period of increasing losses. Continuing growth in FUM and revenues have enabled the business to maintain a similar loss for the year in 2021 of £8.5m (2020 - loss of £7.8m) despite increased financial investment into back office process improvements.

#### **FUTURE DEVELOPMENTS**

The Company continues to focus on improving its service to clients and developing its investment proposition to ensure clients receive first class investment returns and service.

The Company has recruited Investment Managers in all key SJP locations and so focus has shifted towards maximising the operating effectiveness of those employees, which will in turn enhance profitability.

#### **CURRENT RISK ENVIRONMENT**

We continue to identify potential challenges ahead and recognise that significant risks remain in relation to COVID-19 variants and the economic consequences from the response to it. We expect to see inflationary challenges in the short to medium term and are mindful of potential risks relating to tightening of monetary policy and changes in tax policy. We are also mindful of the potential for geo-political tensions to escalate, which could have relevance to the Group through the impacts on financial markets and through heightened Cyber risk.

Overall, we remain confident in our ability to withstand further challenges that may or may not emerge from the risk environment described below.

##### **Macro-economic:**

The uncertainty in relation to COVID-19 has improved significantly as a result of the successful vaccine rollout in the UK, which has greatly weakened the link between infections, hospitalisations and deaths. Whilst the future outlook is more positive than this time last year, we remain mindful of the risk posed by emerging mutations of the virus.

Reflecting the stability, resilience and consistency of our business model, COVID-19 has impacted the Company in ways which are familiar to SJP's approach to the fundamentals of risk management. Examples of this are through: market volatility; a reduction in new business in 2020, which has subsequently reversed in 2021; and the continuation of partial remote working for many employees, which presents talent management risks. Further information on the Group's approach to macro-economic risks is set out in the St. James's Place plc Annual Report and Accounts 2021.

##### **Climate change:**

Tackling climate change is an issue of high importance to SJP, our Partners, clients, and regulators. The related risks affect all companies in different ways and we have carefully considered how climate change could impact the Company and the wider Group to identify risks and opportunities. Climate change is a driver of market related risk, be that through physical climate events or impacts from transitioning away from fossil fuels. Whilst recognising the unique ways in which climate change can affect individual investments, our approach to managing this risk (and seizing the opportunity in the investment space) is very similar to how we manage other drivers of market related risk, namely through our Investment Management Approach (IMA) and, within that, our approach to responsible investing. Further, to ensure our resilience as a Group to market movements, our liabilities to clients are fully matched by our invested assets. Further information on the Group's approach to climate change is set out in the St. James's Place plc Annual Report and Accounts 2021.

## ROWAN DARTINGTON & CO. LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### PRINCIPAL RISKS AND UNCERTAINTIES

Rowan Dartington has adopted the Group Risk Policy and Framework, details of which can be found in the St. James's Place plc Annual Report and Accounts. The Rowan Dartington Board sets and approves the risk appetite which aligns to and operates within the Group's risk appetite.

Rowan Dartington has a dedicated 2nd line Risk team, reporting into the Chief Risk Officer, that provides guidance and oversight to the business on implementation of the policy and framework. Risk reporting is included as part of the quarterly Chief Risk Officer's report to the Rowan Dartington Board Risk Committee.

Stress and scenario testing has been performed which demonstrates that the Company is resilient to extreme but plausible scenarios. The external environment is continually monitored to ensure the scenario testing remains relevant and appropriate.

We continue to identify potential challenges ahead and recognise that significant risks remain in relation to COVID-19 variants and the economic consequences from the response to it. We expect to see inflationary challenges in the short to medium term and are mindful of potential risks relating to tightening of monetary policy and changes in tax policy which could change the amount our clients have available to save and how much tax they pay on investments.

We are also mindful of the potential for geo-political tensions to escalate, which could have relevance to the Group through the impacts on financial markets and through heightened Cyber risk.

Overall we remain confident in our ability to withstand further challenges that may or may not emerge from the risk environment described in more detail below. Timely and targeted risk-based information has been provided to the Board to continue to support decision making and help the understanding of key issues.

The principal risks and uncertainties facing the Company are set out below:

Risk	Risk Description	Key Risks	Example Controls
Administration service	We fail to deliver good quality administration services to clients and advisers	<ul style="list-style-type: none"> <li><b>Service Delivery (i.e. on time)</b> - The risk we do not complete our processing in a timescale</li> <li><b>Service Quality (i.e. meets expectations)</b> - The risk that we do not provide a standard of service that our clients would expect and is line with peers</li> <li><b>Failure of key change projects</b></li> <li><b>Administrative complexity</b></li> </ul>	<ul style="list-style-type: none"> <li>Key service standards agreed and monitored</li> <li>Continuous development of technology to remove manual processes</li> <li>Effective planning of large-scale change projects</li> <li>Ongoing activity to reduce administrative complexity and ensure operational resilience</li> </ul>
Strategy, Competition and Brand	We fail to be a socially responsible business, leading to devaluation of the SJP / RD brand	<ul style="list-style-type: none"> <li><b>Brand Awareness/Recognition</b> - The risk that our brand is not promoted correctly / misunderstood</li> <li><b>Negative publicity both local and national coverage</b></li> <li><b>Negative impacts of greater brand recognition</b></li> <li><b>Climate Change risk</b> - Preventing us to achieve our strategic priorities, and a key area of focus as a Responsible Business</li> </ul>	<ul style="list-style-type: none"> <li>Clear demonstration of value delivered to clients through advice, service and products</li> <li>Investment in improving positive brand recognition and in responsible investing</li> <li>Further alignment / integration with the SJP brand</li> <li>Ongoing development of client propositions</li> <li>Proactive engagement with external agencies including media, industry groups and regulators</li> <li>Determine and document the climate risk exposure limits and financial risk thresholds</li> </ul>

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021

Risk	Risk Description	Key Risk	Example Controls
Client proposition	We fail to provide quality, suitable advice or service to clients	<ul style="list-style-type: none"> <li>- <b>Investment Service and Proposition</b> - The risk that our services, investments and products are not designed for the general needs of our clients</li> <li>- <b>Investment Service</b> - The risk that clients do not get access to the most appropriate investment service for them or are paying for a level of expertise that may not be required and is not in their best interests</li> <li>- We are unable to effectively scale our investment proposition whilst enabling clients to achieve their goals</li> </ul>	<ul style="list-style-type: none"> <li>- Development of investment propositions and services to clients in a manner that does not expose them or us to inappropriate or unrewarded risk</li> <li>- Explicit responsible investing standards for portfolios and a structured program of ESG monitoring and engagement and enhanced governance oversight by relevant Investment Committees</li> </ul>
Conduct	We fail to provide quality, suitable advice or service to clients	<ul style="list-style-type: none"> <li>- <b>Advice quality &amp; suitability</b> - The risk that we provide unsuitable and/or poor quality advice to our clients</li> <li>- <b>Client Outcomes</b> - The risk that clients do not receive the outcomes they expect</li> </ul>	<ul style="list-style-type: none"> <li>- IMs and client facing employees are trained to ensure that vulnerable clients are provided with appropriate service and /or advice</li> <li>- IMs required to keep up any qualifications required to be able to discharge their responsibilities</li> <li>- Robust oversight process of the advice provided to clients</li> </ul>
Financial	We fail to effectively manage the business finances	<ul style="list-style-type: none"> <li>- <b>Solvency &amp; Liquidity</b> - The risk that we do not have adequate capital or liquidity</li> <li>- <b>Expense Risk</b> - risk of profit variation due to expense variation</li> <li>- <b>Financial Reporting</b> - The risk that we are in breach of statutory or regulatory reporting requirements</li> <li>- <b>Sub-Optimal Decision Making</b> - The risk that we make sub-optimal decisions due to inadequate or inaccurate MI, poor decision-making processes, or poor planning processes, potentially leading to performance falling short of shareholder expectations</li> </ul>	<ul style="list-style-type: none"> <li>- Daily cash monitoring</li> <li>- Holding capital resources in excess of our internal management requirement</li> <li>- Adherence to the Group Credit &amp; Counterparty risk policy</li> <li>- Statutory and regulatory reporting requirements review</li> <li>- Annual Planning process</li> <li>- Ongoing financial variance analysis and milestone analysis</li> <li>- Formal governance (decision making) structure is in place</li> <li>- Individual Directors are responsible for ensuring adequate and accurate MI</li> </ul>
Outsourcing	Third party outsourcers' activities impacts our performance and risk management objectives	<ul style="list-style-type: none"> <li>- <b>Management of Third Parties (i.e. operational failures by material outsourcers, service levels, quality of service, scalability etc.)</b> - The risk that a material third party has a detrimental effect on RD</li> <li>- <b>Intragroup Outsourcing Arrangements</b> - The risk that we do not make use of the benefits of being part of Group</li> </ul>	<ul style="list-style-type: none"> <li>- Oversight regime in place to identify prudent steps to reduce risk of operational failures by material third-party providers</li> <li>- Due diligence and ongoing monitoring of key suppliers</li> </ul>

ROWAN DARTINGTON & CO. LIMITED

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021

Risk	Risk Description	Key risks	Example Controls
Investment proposition	Our investment proposition fails to meet the needs, objectives and expectations of our client's and their advisers	<ul style="list-style-type: none"> <li><b>Investment Objectives</b> - The risk that we fail to manage client objectives against relevant mandate</li> <li><b>Relative Investment Performance</b> - The risk that assets do not perform well due to poor asset allocated/stock selection</li> <li><b>Portfolio Management</b> - The risk that delays to effective trade processing result in failure to capitalise on ideas or protect against losses</li> <li><b>Best Execution Risk</b> - The risk that we fail to appropriately execute trade instructions resulting in trading outside the bid-offer spread</li> </ul>	<ul style="list-style-type: none"> <li>Bespoke and tailored portfolios to meet client's primary objectives</li> <li>Adequately skilled resources</li> <li>Portfolios reviewed with respect to size and mandate to ensure offering meets the client's needs</li> <li>Adherence to central investment objective policy/guidelines for locally managed portfolios</li> <li>Centralisation of portfolios and propositions</li> <li>High degree of oversight from Business standards</li> <li>Asset Allocation Forum provides effective governance around the decision making process</li> <li>Improvement to IT Infrastructure</li> <li>Trade checking process for timely trading</li> </ul>
People	We are unable to attract, retain and organise the right people to run the business	<ul style="list-style-type: none"> <li><b>Capability (Skills &amp; Performance)</b> - The risk that our employees lack the necessary capability to deliver on our business strategy</li> <li><b>Capacity (Availability)</b> - The risk that we lack the required level of resources to execute on our business processes and to deliver our business strategy</li> <li><b>Engagement</b> - The risk that employment engagement falls, impairing the ability of the firm to execute on its business strategy</li> <li><b>Building security</b> - The risk that the security of our buildings are compromised, having a detrimental effect on the business</li> <li><b>Inclusion &amp; Diversity</b> - The risk that we fail to promote a culture of inclusion &amp; diversity</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment Strategy and process in place, with additional requirements for certified roles under SMCR</li> <li>Training and development</li> <li>Performance management</li> <li>Staff availability assessed to ensure having adequate resources to deliver on the business strategy</li> <li>People strategy on employee engagement</li> <li>Physical security procedures and access controls</li> <li>Actively undertake initiatives to support women and minority groups in senior careers, and to attract and retain more individuals from these groups</li> </ul>
Regulatory	We fail to meet current, changing or new regulatory and legislative expectations	<ul style="list-style-type: none"> <li><b>Regulatory Landscape</b> - The risk that we are non-compliant with regulations</li> <li><b>Target for Criminals</b> - The risk that we are targeted by fraudsters or money launderers</li> </ul>	<ul style="list-style-type: none"> <li>Senior Manager and Certification Regime</li> <li>Training which outlines regulatory and legislative requirements for roles</li> <li>Compliance Function provides oversight, guidance and monitoring</li> <li>Implementation of a Financial Crime and AML Framework</li> </ul>
Security and resilience	We fail to adequately secure our physical assets, systems and/or sensitive information, or to deliver critical business services to our clients	<ul style="list-style-type: none"> <li><b>Cyber Security</b> - The risk that we are victims of a cyber attack</li> <li><b>System Availability</b> - The risk that we are unable to complete BAU due to system availability</li> <li><b>Systems Capability</b> - The risk that we are unable to complete BAU due to system capability</li> </ul>	<ul style="list-style-type: none"> <li>Cyber Security</li> <li>Security protocols and patching</li> <li>Data Protection framework</li> <li>Business Continuity and disaster recovery planning and testing</li> <li>De-risking data availability by moving from traditional local servers to cloud based solutions</li> <li>Assessment of systems capability to continue servicing our business</li> </ul>



## **ROWAN DARTINGTON & CO. LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

The Company is exposed to SJP Group withdrawing financial support which would impact on the ability of the Company to continue pursuing its strategic objectives. SJP has confirmed its ongoing commitment to the Company through the provision of a letter of support, and the regular injections of additional capital. This, combined with the financial performance and stability of SJP, mitigates this risk.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

Given the growth objectives of the business, the key performance indicators that management focus on are growth in revenues and FUM, combined with profitability.

During the year, the revenues increased by 27% to £23.8m from £18.8m. FUM increased by 24%, ending the year at £3.72bn (2020 – £3.00bn). Growth, combined with close management of costs, has enabled the loss for the year to be maintained at a similar level of £8.5m (2020 – loss of £7.8m).

The Board considers the rate of growth to be satisfactory given the challenging market conditions.

## ROWAN DARTINGTON & CO. LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. Section 172 requires a Director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- *impact of the Company's operations on the community and environment;*
- desirability of the Company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our key stakeholders. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

As part of a vertically integrated financial services group (the "Group"), the Company's stakeholders are entirely aligned with the key stakeholders of the wider Group, being shareholders, Partners, employees, clients and society (represented by a number of groups including government, regulators, suppliers and the wider community), although some of those are more prominent for us as a subsidiary than others.

The Group as a whole is focused on ensuring value is generated and preserved over the long-term for all of its stakeholders and the core of our strategy is the long-term relationship St. James's Place and the Partnership have with our clients. This is what ultimately drives long-term value for shareholders and other stakeholders and could not be achieved if we did not seek to maintain a reputation for high standards of business conduct.

Authority for day-to-day management of this Company and the Group's other wholly-owned subsidiaries is delegated to executives. The boards of each company then engage management in setting, approving and overseeing execution of the business strategy and related policies, where relevant to that company. Throughout the year we, as a Board, review matters such as financial and operational performance, key risks, governance and regulatory compliance and the impact of decisions and policies affecting our key stakeholders.

The views of and the impact of the Company's activities on the key stakeholders are an important consideration for the Directors when making relevant decisions. Our governance framework is designed to provide opportunities for the Board to consider and discuss reports and papers that require decision making, which are sent in advance of each periodic Board meeting. The information contained therein, together with presentations to the Board, provide the insight necessary to understand the interests and concerns of key stakeholders and other relevant factors when making decisions. An example from 2021 that illustrates how this has contributed to our compliance with our section 172 duty to promote the success of the company is set out below.

## ROWAN DARTINGTON & CO. LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Example	Consideration
Employees, Clients, External Suppliers	<p>When restrictions eased as the impact COVID-19 on society lessened, the Rowan Dartington Board carried out a review of items that had potentially benefitted employees during the pandemic, including working from home, with a view to ensure these remained in place in the "post COVID" working environment.</p> <p>The Board considered both the positive and negative impact the changes resulting from the pandemic had on employees at different stages of their career and considered solutions which meant employees could continue with the personal benefits whilst also recognising the value from face-to-face interaction, both between colleagues and with clients.</p> <p>This led to the introduction of more flexible working practices, meaning that employees could benefit from having more autonomy on where their work was carried out, whilst still giving the option to work collaboratively in a direct contact setting.</p> <p>This approach was agreed to be the best method for both the business and its stakeholders to navigate a continually changing environment through COVID-19 and beyond.</p>

While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Group means that generally our stakeholder engagement best takes place at an operational or Group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual Company.

For details of the engagement with the Company's stakeholders that helps the Directors to understand the issues to which they must have regard, please see the Section 172(1) Statement in the St. James's Place plc 2021 Annual Report and Accounts.

#### GOING CONCERN

The going concern basis has been adopted in preparing these financial statements. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above on pages 2 and 3.

The Board has considered the potential impact of COVID-19 variants and the economic consequences on the business, including the associated impact of the economic volatility on FUM and the Company's financial results.

In addition, the Board has considered the operational impacts of COVID-19, including through its key outsourced providers. It noted that the business demonstrated real resilience supported by recent technological investment, together with the agility of both advisers and employees. This, along with our key outsource providers, who also adapted well to the changing environment, supports its view that the business will continue to remain operationally resilient.

As a result of its review, combined with the risk planning, management processes and culture, the Board believes that the Company will continue to operate for a period of at least 12 months from the date of approval of the financial statements.

This report was approved by the Board of Directors on 22 April 2022 and signed on its behalf on the same date by:



**G Cockerill**  
Director

## **ROWAN DARTINGTON & CO. LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

*The Directors present their report and the financial statements for the year ended 31 December 2021.*

#### **PRINCIPAL ACTIVITIES**

*The Company acts as a provider of private client stockbroking and investment management services.*

#### **RESULTS AND DIVIDENDS**

The loss for the financial year amounted to £8,494,505 (2020 - loss £7,796,766).

The Directors do not recommend the payment of a dividend (2020 - £NIL).

#### **DIRECTORS**

The Directors who served during the year and up to the date of signing the financial statements were:

G Cockerill  
R Gardner (appointed 1 April 2021)  
D Hobbs  
N Hunt (resigned 31 July 2021)  
S Jones  
R Jukes  
M Leather  
F Richards

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year, the Company made charitable contributions of £NIL (2020 - £1,092).

The Company made no political donations.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**EMPLOYEE ENGAGEMENT**

Effective and timely engagement with our workforce is an integral part of SJP's culture. A Group appointed Workforce Engagement Chair, supported by a Workforce Engagement Panel, acts as a primary engagement mechanism between employees and the Group Board. The Panel comprises a diverse range of representatives from different parts of our business, and reports through to Lesley-Ann Nash, the Group's designated Non-Executive Director responsible for Workforce Engagement. The representatives connect regularly with their constituents and discuss topical and themed matters with them, such as hybrid working, career development, work life balance, pay transparency, SJPs culture and ethics, inclusion and diversity and Board and Management Interactions. The Group remains open to receiving employee views on any topic of importance to them and have done so during the year.

These engagements are undertaken across a variety of channels, such as surveys, focus groups and directors' Q&A sessions and has involved enhancing existing engagement mechanisms and developing new mechanisms. This has enabled us to broaden the reach of our engagement activities to all parts of the SJP Group.

Periodic reporting is provided to the SJP Directors and management with delegated responsibility for delivering actions on the specific feedback. Periodic updates are provided to employees of the activity and developments via internal communication channels as well as the Workforce Engagement Panel representatives.

Whistleblowing arrangements are in place to enable employees to raise concerns in confidence and the Chair of the Group's Audit Committee has been appointed as whistleblower champion. The Group's Audit Committee monitors the operation of the whistleblowing arrangements throughout the year, escalating matters when appropriate.

The Group ensures its employees are aware of the financial and economic factors affecting the Group through communications issued to all staff announcing quarterly results, biannual management meetings providing an overview of business performance and our Annual Company Meeting.

At a Company level, the Board also recognises the importance of maintaining engaged employees to drive the future success of the business. The Board seeks to understand the views of employees through periodic Group wide surveys, for which company specific results are received, and monthly 'Ask me Anything' sessions where the Directors meet with employees from around the business to enhance the two-way dialogue between the Board and employees.

The Board seeks to achieve a common understanding amongst employees on company performance through regular updates on financial performance and key objectives for the company, including regular video updates from the Chief Executive Officer.

Employees have a vested interest in the financial performance of the Company and the Group through a variable remuneration scheme linked to the performance of the Group, and through various employee shares schemes (see note 20 for further details).

**EMPLOYMENT**

Rowan Dartington operates an equal opportunities employment policy and is opposed to all forms of discrimination. Applications for employment of disabled persons are fully considered given the aptitudes of the applicant. In the event of an employee becoming disabled, every effort is made to ensure their continued employment and appropriate training is provided. It is the Company's policy that training, career development and promotion should be as far as possible identical to others.

**DIRECTORS' INDEMNITY AND INSURANCE**

St. James's Place plc ("SJP"), the ultimate parent company, has taken out insurance covering Directors and officers against liabilities they may incur in their capacity as Directors or officers of SJP or its subsidiaries. This is a qualifying third-party indemnity provision and was in force during the year and at the date of approval of the financial statements.

## **ROWAN DARTINGTON & CO. LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **MATTERS COVERED IN THE STRATEGIC REPORT**

Future developments, financial risk management and going concern are all referred to in the Strategic Report set out on pages 1 - 8 of the financial statements in accordance with Section 414c (11) of the Companies Act 2006.

A summary of how the Directors' have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year is set out in the Strategic Report within the Section 172 (1) Statement on page 7.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

#### **INDEPENDENT AUDITORS**

The auditors, PricewaterhouseCoopers LLP, are deemed reappointed in accordance with section 487(2) of the Companies Act 2006.

This report was approved by the Board of Directors on 22 April 2022 and signed on its behalf on the same date by:



**G Cockerill**  
Director

## **ROWAN DARTINGTON & CO. LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## ROWAN DARTINGTON & CO. LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROWAN DARTINGTON & CO. LIMITED

#### Report on the audit of the financial statements

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##### Opinion

In our opinion, Rowan Dartington & Co. Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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##### Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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##### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROWAN DARTINGTON & CO. LIMITED  
(CONTINUED)**

*Strategic report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

**Responsibilities for the financial statements and the audit**

*Responsibilities of the Directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

*Auditors' responsibilities for the audit of the financial statements*

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, 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 financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue. Audit procedures performed by the engagement team included:

- Enquiries of compliance, risk, internal audit, and the Company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it

**ROWAN DARTINGTON & CO. LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROWAN DARTINGTON & CO. LIMITED  
(CONTINUED)**

may come save where expressly agreed by our prior consent in writing.

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**Other required reporting**

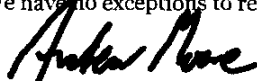
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**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andrew Moore (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
22 April 2022

**ROWAN DARTINGTON & CO. LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	3	23,754,856	18,781,503
Cost of sales		(20,208,114)	(17,090,320)
<b>GROSS PROFIT</b>		<b>3,546,742</b>	<b>1,691,183</b>
Administrative expenses		(13,590,769)	(11,739,270)
Other operating income		20,580	332,789
<b>OPERATING LOSS</b>	4	<b>(10,023,447)</b>	<b>(9,715,298)</b>
Interest receivable and similar income		-	21,546
Interest payable and similar expenses	8	(78,680)	(91,527)
<b>LOSS BEFORE TAXATION</b>		<b>(10,102,127)</b>	<b>(9,785,279)</b>
Income tax	9	1,607,622	1,988,513
<b>LOSS FOR THE YEAR</b>		<b>(8,494,505)</b>	<b>(7,796,766)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Movement on deferred tax relating to share based payments		233,379	-
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>		<b>(8,261,126)</b>	<b>(7,796,766)</b>

All amounts relate to continuing operations.

The notes and information on pages 19 to 39 form part of these financial statements.

**ROWAN DARTINGTON & CO. LIMITED**  
**REGISTERED NUMBER: 02752304**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	10	190,029	349,505
Property, Plant and Equipment	11	5,484,844	6,248,077
Investments	12	310,101	310,101
		<u>5,984,974</u>	<u>6,907,683</u>
<b>CURRENT ASSETS</b>			
RECEIVABLES: Amounts falling due within one year	13	23,386,348	15,820,819
Cash and cash equivalents	14	11,008,296	10,032,098
		<u>34,394,644</u>	<u>25,852,917</u>
PAYABLES: Amounts falling due within one year	15	(20,298,607)	(12,222,643)
		<u>14,096,037</u>	<u>13,630,274</u>
<b>NET CURRENT ASSETS</b>		<b>14,096,037</b>	<b>13,630,274</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>20,081,011</b>	<b>20,537,957</b>
PAYABLES: Amounts falling due after more than one year	16	(3,247,542)	(3,784,409)
		<u>16,833,469</u>	<u>16,753,548</u>
Provisions	18	(632,000)	(794,529)
<b>NET ASSETS</b>		<b>16,201,469</b>	<b>15,959,019</b>
<b>EQUITY</b>			
Share capital	19	53,614,333	45,614,333
Share premium		671,785	671,785
Capital redemption reserve		79,252	79,252
Share option reserve		4,258,063	3,754,487
Accumulated losses		(42,421,964)	(34,160,838)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>16,201,469</b>	<b>15,959,019</b>

The financial statements on pages 16 to 39 were approved by the Board of Directors on 22 April 2022 and signed on its behalf on the same date by:



**G Cockerill**  
Director

The notes and information on pages 19 to 39 form part of these financial statements.

**ROWAN DARTINGTON & CO. LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £	Share premium £	Capital redemption reserve £	Share option reserve £	Accumulated losses £	Total equity £
At 1 January 2021	45,614,333	671,785	79,252	3,754,487	(34,160,838)	15,959,019
Loss for the financial year	-	-	-	-	(8,494,505)	(8,494,505)
Movement on deferred tax relating to share based payments	-	-	-	-	233,379	233,379
Shares issued during the year	8,000,000	-	-	-	-	8,000,000
Share option expense	-	-	-	503,576	-	503,576
<b>At 31 December 2021</b>	<b>53,614,333</b>	<b>671,785</b>	<b>79,252</b>	<b>4,258,063</b>	<b>(42,421,964)</b>	<b>16,201,469</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £	Share premium £	Capital redemption reserve £	Share option reserve £	Accumulated losses £	Total equity £
At 1 January 2020	35,614,333	671,785	79,252	3,584,371	(26,364,072)	13,585,669
Loss for the financial year	-	-	-	-	(7,796,766)	(7,796,766)
Shares issued during the year	10,000,000	-	-	-	-	10,000,000
Share option expense	-	-	-	170,116	-	170,116
<b>At 31 December 2020</b>	<b>45,614,333</b>	<b>671,785</b>	<b>79,252</b>	<b>3,754,487</b>	<b>(34,160,838)</b>	<b>15,959,019</b>

The notes and information on pages 19 to 39 form part of these financial statements.

## **ROWAN DARTINGTON & CO. LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. GENERAL INFORMATION**

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The address of the registered office is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP.

#### **2. ACCOUNTING POLICIES**

The principal accounting policies of the Company, which have been applied consistently throughout the year, are set out below, other than where new policies have been adopted.

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

Going concern has been evaluated by the Directors of the Company. As part of this the Directors have reviewed and take comfort from the Group's assessment of going concern as outlined in the St. James's Place plc Annual Report & Accounts.

The Directors concluded that, with the Group's support, it was reasonable to expect the Company to continue to act as an investment management company for a period of not less than 12 months from the date of signing the financial statements.

There were no critical accounting estimates or significant accounting judgements made in applying the Company's accounting policies.

The Company was entitled to exemption from the requirement to prepare and deliver consolidated financial statements under section 400 of the Companies Act 2006. The parent undertaking that draws up group financial statements and its registered address is set out in note 23.

##### **Adoption of new and amended Accounting Standards**

There were no new or amended accounting standards adopted as of 1 January 2021.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) is presented separately for lease liabilities and other liabilities, and in total.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

## **ROWAN DARTINGTON & CO. LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.3 Turnover**

Turnover represents management fees and commission receivable on trading activity.

Management fees are calculated daily based on the level of FUM on each working day and are charged to the Statement of Comprehensive Income on an accruals basis.

##### **2.4 Cost of sales**

Cost of sales represents those expenses attributable to the services supplied during the year and is charged to the Statement of Comprehensive Income on an accruals basis.

##### **2.5 Administrative expenses**

Administrative expenses represent costs incurred in the ordinary activities of the Company, which includes regulatory fees and other third-party expenses, which are charged to the Statement of Comprehensive Income on an accruals basis.

##### **2.6 Leases**

Lease expenses under IFRS 16 comprise depreciation of the right-of-use asset and interest expense on the lease liability. Further information on depreciation of the right-of-use asset is set out in the accounting policy for property and equipment, which includes leased assets and can be found below.

Interest expense on the lease liability is calculated using the effective interest method. It is charged to interest payable and similar expenses within the Statement of Comprehensive Income.

The Company recognises lease payments associated with short-term leases and leases of low-value assets on a straight-line basis over the lease term.

##### **2.7 Other operating income**

Other operating income represents interest on client money and is recognised on an accruals basis.

##### **2.8 Interest receivable and similar income**

Interest receivable and similar income represents interest received on deposits held with financial institutions, credited to the Statement of Comprehensive Income on an accruals basis.

##### **2.9 Interest payable and similar expenses**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Please see 2.6 Leases, for interest lease on the lease liability.

##### **2.10 Income tax**

Tax is recognised in the Statement of Comprehensive Income. The current income tax credit is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom, where the Company operates and generates income.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.11 Deferred tax**

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Difference that arise from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**2.12 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on the following bases:

Customer lists	-	10 % on cost per annum
Computer software	-	25 % on cost per annum

**2.13 Property, plant and equipment**

Property, plant and equipment comprises those assets which are owned and those which are leased.

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

## ROWAN DARTINGTON & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.13 Property, plant and equipment (continued)

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

Depreciation is provided on the following basis:

Leasehold improvements	-	10% - 20% on cost per annum
Fixtures and fittings	-	25% on cost per annum
Office equipment	-	25% on cost per annum

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

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

##### **Initial and subsequent measurement of leased assets**

A right-of-use asset is recognised within property, plant and equipment for leased items which are not subject to the short-term or low-value lease exemptions set out in IFRS 16. This comprises the Company's leased property portfolio. The right-of-use asset recognised on the commencement date of the lease is the value of the lease liability (refer to the other payables accounting policy below), plus expected dilapidations costs, initial direct costs (that is, incremental costs that would not have been incurred if the lease had not been obtained, such as legal fees) and lease payments made before or at the commencement date of the lease. Following initial recognition, depreciation is charged to expenses within the statement of comprehensive income on a straight-line basis over the lease term.

##### **Impairment of leased assets**

The carrying value of leased assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Any assets that may have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

##### 2.14 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.15 Cash and cash equivalents

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.16 Provisions for liabilities**

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

**2.17 Share-based payments**

The Company operates a number of share-based payment plans for its employees. The fair value of equity instruments granted is recognised as an expense spread over the vesting period of the instrument, with a corresponding increase in equity in the case of equity settled plans. The total amount to be expensed is determined by reference to the fair value of the awards at the grant date, measured using standard option pricing models.

At each Statement of Financial Position date, the Company revises its estimate of the number of equity instruments that are expected to vest and it recognises the impact of the revision of original estimates, if any, in the Statement of Comprehensive Income, such that the amount recognised for employee services are based on the number of shares that actually vest. The charge to the Statement of Comprehensive Income is not revised for any changes in market vesting conditions.

To the extent that the share price at the reporting date is greater than the exercise price on options granted under unapproved schemes after 19 May 2000, provision for any National Insurance contributions has been made based on the prevailing rate of National Insurance. The provision is accrued over the performance period attaching to the award.

## ROWAN DARTINGTON & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.18 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

###### **Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, or those held at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

###### **At fair value through profit and loss**

Financial assets at fair value through profit or loss are financial assets held for trading. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

###### **At amortised cost**

Financial assets held at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Financial assets held at amortised cost are impaired using a credit loss model. Expected credit losses are based on the historic levels of loss experienced for the relevant financial assets, with due consideration given to forward looking information.

###### **Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

###### **At amortised cost**

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.19 Other payables**

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Other payables include lease liabilities calculated in accordance with IFRS 16. On the commencement date of the lease, the lease liability is measured as the present value of the future lease payments. For the Company, future lease payments include those which are fixed and those which vary depending on an index or rate. The future lease payments are discounted at the Group's incremental borrowing rate at the commencement date of the lease, which varies depending on the lease term.

The incremental borrowing rate is management's judgement as to the rate of interest that the Company would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset. This has been determined with reference to the rate of interest of existing borrowings held by the Company and market rates, adjusted to take into account the security and term associated with the lease. The rate used ranges between 1.5% - 2.0% depending on the length of the lease.

The Company has applied the practical expedient on transition to IFRS 16 of applying a single discount rate to a portfolio of leases with reasonably similar characteristics by grouping leases by asset type and remaining lease term on the date of transition.

## ROWAN DARTINGTON & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. TURNOVER

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Commission & fees	<b>23,754,856</b>	18,781,503

All turnover arose within the United Kingdom.

#### 4. OPERATING LOSS

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	<b>926,867</b>	1,388,494
Amortisation of intangible assets	<b>167,244</b>	198,252
Operating lease rentals - other operating leases	<b>56,652</b>	73,072
Other pension costs	<b>1,746,658</b>	1,630,487
Exchange differences	<b>38,860</b>	82,382
Losses on disposal	<b>702</b>	809

#### 5. AUDITORS' REMUNERATION

The following amounts were paid to the auditors in respect of the audit of the financial statements:

	2021 £	2020 £
Fees for the audit of the Company	<b>43,759</b>	39,780

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the Group Report and Accounts of the ultimate parent company.

## ROWAN DARTINGTON & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6. STAFF COSTS AND EMPLOYEES

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	13,208,822	13,171,325
Social security costs	1,518,476	1,504,646
Other pension costs	1,746,658	1,630,487
	<u>16,473,956</u>	<u>16,306,458</u>

Defined contribution personal pension plans are operated for employees. There were no prepaid or outstanding contributions at the year end (2020 - £NIL).

The charge to the Statement of Comprehensive Income in respect of the share-based payment awards made to the employees of the Company during 2021 was £725,376 (2020 - £195,078).

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

	2021 No.	2020 No.
Office and management	<u>257</u>	<u>289</u>

#### 7. DIRECTORS' REMUNERATION

	2021 £	2020 £
Aggregate remuneration	1,464,687	1,128,519
Pension contributions	73,167	66,146
Other benefits	7,632	7,378
	<u>1,545,486</u>	<u>1,202,043</u>

The aggregate emoluments of the highest paid Director in the year were £401,627 (2020 - £289,355), and pension contributions paid on their behalf totalled £NIL (2020 - £833). The number of options the highest paid Director exercised over the shares in St. James's Place plc was NIL (2020 - NIL), and the number of shares receivable by them in respect of qualifying service was NIL (2020 - NIL).

At 31 December 2021, the number of Directors to whom retirement benefits are accruing, including those receiving cash supplements in lieu of their defined contribution pension scheme, is 7 (2020 - 6). Retirement benefits are accrued in money purchase schemes for 6 (2020 - 5) of those Directors at the year-end.

The number of Directors who exercised options over the shares in St. James's Place plc during the year while acting as Directors of this Company is 1 (2020 - 2). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes is 7 (2020 - 7).

**ROWAN DARTINGTON & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021 £	2020 £
Interest expense on lease liabilities	<u>78,680</u>	<u>91,527</u>

**9. INCOME TAX**

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on loss for the year	(1,726,726)	(1,948,676)
Adjustments in respect of prior periods	104,347	(22,500)
<b>Total current tax</b>	<u>(1,622,379)</u>	<u>(1,971,176)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	6,439	(30,104)
Effect of change in tax rate on opening balance	(7,334)	(16,417)
Adjustments in respect of prior periods	42,449	(6,458)
Share based payments	(26,797)	35,642
<b>Total deferred tax</b>	<u>14,757</u>	<u>(17,337)</u>
<b>Taxation on loss</b>	<u>(1,607,622)</u>	<u>(1,988,513)</u>
Tax income included in other comprehensive income:		
Movement relating to share based payments	<u>(233,379)</u>	<u>-</u>



# **ROWAN DARTINGTON & CO. LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **9. INCOME TAX (CONTINUED)**

#### **Factors affecting the tax credit for the year**

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

	2021 £	2020 £
Loss before taxation	<u>(10,102,127)</u>	<u>(9,785,279)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	<u>(1,919,404)</u>	<u>(1,859,204)</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	44,889	3,752
Adjustments to tax charge in respect of prior periods	146,796	(28,958)
Fixed asset differences	57,100	(79,458)
Adjustment for change in tax rates	(7,335)	(16,417)
Adjustment in respect of employee share based payments	71,417	(7,551)
Transfer pricing adjustments	(1,085)	(677)
<b>Total tax credit for the year</b>	<u><u>(1,607,622)</u></u>	<u><u>(1,988,513)</u></u>

#### **Future tax changes**

In the UK budget of 3 March 2021, it was announced that the main rate of corporation tax will increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021 within the Finance Bill 2021 and as a result the relevant deferred tax balances have been remeasured.

**ROWAN DARTINGTON & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. INTANGIBLE ASSETS**

	<b>Customer Lists £</b>	<b>Computer software £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2021	106,933	900,542	1,007,475
Additions	-	7,768	7,768
At 31 December 2021	106,933	908,310	1,015,243
<b>Accumulated Amortisation</b>			
At 1 January 2021	54,805	603,165	657,970
Charge for the year	9,681	157,563	167,244
At 31 December 2021	64,486	760,728	825,214
<b>Net Book Value</b>			
At 31 December 2021	42,447	147,582	190,029
At 31 December 2020	52,128	297,377	349,505

**ROWAN DARTINGTON & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Leased assets £	Total £
<b>Cost</b>					
At 1 January 2021	1,977,298	23,237	310,757	6,142,760	8,454,052
Additions	13,683	-	126,350	24,303	164,336
Disposals	-	-	(28,764)	(970,396)	(999,160)
At 31 December 2021	1,990,981	23,237	408,343	5,196,667	7,619,228
<b>Accumulated Depreciation</b>					
At 1 January 2021	279,273	16,313	193,103	1,717,286	2,205,975
Charge for the year on owned assets	283,048	5,010	79,231	-	367,289
Charge for the year on right-of-use assets	-	-	-	559,578	559,578
Disposals	-	-	(28,062)	(970,396)	(998,458)
At 31 December 2021	562,321	21,323	244,272	1,306,468	2,134,384
<b>Net Book Value</b>					
At 31 December 2021	1,428,660	1,914	164,071	3,890,199	5,484,844
At 31 December 2020	1,698,025	6,924	117,654	4,425,474	6,248,077

Disposals of leased assets relate fully to the derecognition of fully depreciated leases.

Leases are negotiated on an individual basis and hence contain a variety of different terms and conditions. They contain covenants and restrictions but generally these are standard and to be expected in a modern, commercial lease created under open-market terms. Typical covenants include paying the annual rent, insurance premiums, service charge, rates and VAT and keeping the property in good repair and condition throughout the lease. Typical restrictions include permitting office use only and not transferring or assigning the lease to a third party without the lessor's consent. There are no residual value guarantees.

The Company is exposed to variability in lease payments as one lease includes rent reviews during the lease term that are linked to an index or market rates. In accordance with IFRS 16, these variable lease payments are initially measured based on the index or rate at the commencement date of the lease. Estimates of future rent changes are not made; these changes are taken into account in the lease liabilities and leased assets only when the lease payments change and so the variability is resolved. There are no variable lease payments which are not linked to an index or market rates.

The Company has not entered into any sale and leaseback transactions.

## ROWAN DARTINGTON & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12. INVESTMENTS

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2021	310,101
At 31 December 2021	310,101
<b>Net Book Value</b>	
At 31 December 2021	310,101
At 31 December 2020	310,101

In compliance with section 409 of the Companies Act 2006, below is a full list of subsidiary undertakings for the Company as at 31 December 2021. The registered office address for all of these subsidiary undertakings is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP, unless otherwise indicated.

A breakdown of the net book value can be found in note 22. Details of the principal activities of all subsidiary undertakings can be found in the St. James's Place plc Annual Reports and Accounts.

#### Direct subsidiary undertakings

The Company directly holds a majority of voting rights in the following undertakings. All of these undertakings were incorporated in the UK.

Name	Registered office	Class of shares	Holding
Cabot Portfolio Nominees Limited	*	Ordinary A	100%
Dartington Portfolio Nominees Limited	*	Ordinary A	100%
Stafford House Investments Limited	**	Ordinary A	70%
Stafford House Investments Limited	**	Ordinary B	30%

The Directors believe that the carrying value of the investments is supported by their underlying net assets or, where this is not the case, their value in use.

\* The subsidiary undertakings not registered at the aforementioned address are as follows:

Cabot Portfolio Nominees Limited & Dartington Portfolio Nominees Limited are registered at the address, Temple Point, Redcliffe Way, Bristol, BS1 6NL.

\*\* Registered at the address St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP.

# **ROWAN DARTINGTON & CO. LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **13. RECEIVABLES: Amounts falling due within one year**

	2021 £	2020 £
Trade receivables	8,994	9,369
Amounts owed by Group undertakings	2,155,010	102,508
Dealing receivables	12,995,743	7,986,725
Other receivables	1,507,234	2,024,865
Prepayments and accrued income	4,482,634	3,457,291
Corporation taxation	1,726,726	1,948,676
Deferred taxation	510,007	291,385
	<u>23,386,348</u>	<u>15,820,819</u>

Amounts owed by Group undertakings are unsecured, interest-free and repayable on demand.

### **14. CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash at bank and in hand	<u>11,008,296</u>	<u>10,032,098</u>

### **15. PAYABLES: Amounts falling due within one year**

	2021 £	2020 £
Trade payables	115,217	122,183
Amounts owed to Group undertakings	1,934,646	437,622
Taxation and social security	1,146,475	1,167,395
Lease liabilities	537,663	572,830
Dealing payables	12,297,251	8,318,965
Other payables	361,537	237,968
Accruals and deferred income	3,905,818	1,365,680
	<u>20,298,607</u>	<u>12,222,643</u>

Amounts owed to Group undertakings are unsecured, interest-free and repayable on demand.

Excluded from cash and trade payables is money held for and on behalf of clients under the FCA's Client Money rules which amounted to £201,824,000 (2020 - £204,062,000).

**ROWAN DARTINGTON & CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**16. PAYABLES: Amounts falling due after more than one year**

	2021 £	2020 £
Lease liabilities (see analysis below)	<b>3,247,542</b>	3,784,409

	2021 £	2020 £
<b>Lease liabilities</b>		
Lease liabilities falling due 2-5 years	<b>1,802,204</b>	1,816,418
Lease liabilities falling due after more than 5 years	<b>1,445,338</b>	1,967,991
	<b>3,247,542</b>	3,784,409

Lease liabilities represent the present value of future cash flows associated with the Company's portfolio of property leases. They were initially recognised on 1 January 2019, upon adoption of IFRS 16 Leases.

**17. DEFERRED TAX**

	Fixed asset timing differences £	Share based payments £	Total £
<b>Deferred Tax (Assets)/Liabilities</b>			
<b>At 1 January 2020</b>	<b>(38,163)</b>	<b>(235,885)</b>	<b>(274,048)</b>
Charged/(credited) to Income Statement			
Utilised and created in year	(36,562)	35,642	(920)
Impact of rate change	(5,250)	(11,167)	(16,417)
<b>At 31 December 2020</b>	<b>(79,975)</b>	<b>(211,410)</b>	<b>(291,385)</b>
Charged/(credited) to Income Statement			
Utilised and created in year	6,439	(26,797)	(20,358)
Impact of rate change	(7,334)	-	(7,334)
Adjustments in respect of prior periods	42,449	-	42,449
Credited directly to Other Comprehensive Income	-	(233,379)	(233,379)
<b>At 31 December 2021</b>	<b>(38,421)</b>	<b>(471,586)</b>	<b>(510,007)</b>

# **ROWAN DARTINGTON & CO. LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **18. PROVISIONS**

	Provisions £
At 1 January 2021	794,529
Additional provisions	40,000
Released in year	(100,000)
Utilised in year	(102,529)
<b>At 31 December 2021</b>	<b><u>632,000</u></b>

The balance includes dilapidations provision for leased property based on the square footage of lease properties and typical costs per square foot of restoring similar buildings to their original state and other provisions where the Directors cannot disclose the nature because such disclosure would be prejudicial to the outcome.

### **19. SHARE CAPITAL**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
107,228,666 (2020 - 91,228,666) Ordinary shares of £0.50 each	<b><u>53,614,333</u></b>	<b><u>45,614,333</u></b>

Each share has attached to them full voting, dividend and capital distribution (including on winding up) rights.

On 23 February 2021, the Company issued 8,000,000 £0.50 shares at par.

On 27 July 2021, the Company issued a further 8,000,000 £0.50 shares at par.

Subsequent to year-end, the Company issued 10,000,000 £0.50 shares at par on 24 February 2022.

## ROWAN DARTINGTON & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20. SHARE-BASED PAYMENTS

As part of the SJP Group, the Company operated a number of SJP share-based payment arrangements, which are aggregated as follows:

- SAYE plan – this is a standard HMRC approved scheme that is available to all employees where individuals can contribute up to £300 per month over three years to purchase shares at a price not less than 80% of the market price at the date of the invitation to participate.
- Share Incentive Plan (SIP) – this is an HMRC approved equity-settled scheme which is available to all employees where individuals may invest up to an annual limit of £1,800 of pre-tax salary in SJP shares, to which the Group will add a further 10%. The vesting period is 3 years, however if the shares are held for five years they may be sold free of income tax or CGT.
- Executive deferred bonus schemes – under these plans, the deferred element of the annual bonus is used to purchase shares at market value in SJP plc. The shares are held in trust until vesting after three years and, in addition to the performance targets which apply prior to any entitlement being granted, further performance conditions may also apply on vesting.
- Executive performance share plan – awards of performance shares to the executive Directors and other senior managers. Two-thirds of shares awarded to Directors are subject to an earnings growth condition of the Group and one third of shares awarded to Directors are subject to a comparative total shareholder return condition, both measured over a three year period. Awards made to senior managers are largely only subject to the earnings growth condition of the company.

Share options outstanding under the various share-based payment schemes at 31 December 2021 amount to 343,030 shares (2020 - 352,376). Of these, 240,888 (2020 - 246,663) are under option to executives and senior management and 102,142 (2020 - 105,713) are under option through the SAYE and SIP schemes. These are exercisable on a range of future dates.

The SAYE plan options outstanding at 31 December 2021 had an exercise price of 771 pence (25,800 options), 813 pence (41,321 options), 940 pence (24,161 options) and 1281 pence (8,592 options) with a weighted average remaining contractual life of 1.3 years.

#### 21. OPERATING LEASE COMMITMENTS

The Company leases a portfolio of office properties, equipment and vehicles with varying lease end dates ranging from 2020 to 2029. Upon adoption of IFRS 16, the Group recognised right-of-use assets for these leases, except where they are short-term or low value. The following table represents the future minimum lease payments due under non-cancellable operating leases not recognised under IFRS 16.

	2021 £	2020 £
<b>Other</b>		
Not later than 1 year	16,824	54,063
Later than 1 year and not later than 5 years	13,281	33,033
	<u>30,105</u>	<u>87,096</u>



## ROWAN DARTINGTON & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 22. RELATED PARTY BALANCES

The Company's related parties include key management personnel and companies within the St. James's Place Group.

Transactions with key management personnel are exempt from disclosure.

There were no transactions with companies within the Group for which disclosure is required.

At 31 December 2021, the investments in Group undertakings and amounts outstanding were as follows:

	2021 £	2020 £
<b>Investments in Group companies, net of provisions</b>		
Cabot Portfolio Nominees Limited	1	1
Dartington Portfolio Nominees Limited	100	100
Stafford House Investments Limited	310,000	310,000
	<u>310,101</u>	<u>310,101</u>
	2021 £	2020 £
<b>Intra-Group receivables, net of provision</b>		
Stafford House Investments Limited	310,682	102,508
St. James's Place Investment Administration Limited	1,844,328	-
	<u>2,155,010</u>	<u>102,508</u>
	2021 £	2020 £
<b>Intra-Group payables</b>		
Cabot Portfolio Nominees Limited	1	1
Dartington Portfolio Nominees Limited	100	100
St. James's Place Management Services Limited	1,934,545	437,622
	<u>1,934,646</u>	<u>437,723</u>

## **ROWAN DARTINGTON & CO. LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **23. ULTIMATE PARENT UNDERTAKING CONTROLLING PARTY**

The company regarded by the Directors as the immediate parent company is Rowan Dartington Holdings Limited, a company registered in England and Wales.

The company regarded by the Directors as the ultimate parent company is St. James's Place plc, a company registered in England and Wales. It is also the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

Copies of the consolidated financial statements of St. James's Place plc may be obtained from the Company Secretariat at St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP.

In the opinion of the Directors, St. James's Place plc is considered to be the ultimate controlling party.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE SUPPLEMENTAL INFORMATION - IFPRU AND COUNTRY BY COUNTRY REPORTING**

The Directors are responsible for preparing the Supplemental Information - IFPRU and Country by Country Reporting in accordance with applicable law and regulation.

The *Capital Requirements (Country-by-Country Reporting) Regulations 2013* requires the Directors to prepare Supplemental Information - IFPRU and Country by Country Reporting for each financial year. Under that law the directors have prepared the Supplemental Information - IFPRU and Country by Country Reporting in accordance with the *Capital Requirements (Country-by-Country Reporting) Regulations 2013*.

In preparing the Supplemental Information - IFPRU and Country by Country Reporting, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable *Capital Requirements (Country-by-Country Reporting) Regulations 2013*, have been followed, subject to any material departures disclosed and explained in the Supplemental Information - IFPRU and Country by Country Reporting;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Supplemental Information - IFPRU and Country by Country Reporting on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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.

This report was approved by the Board of Directors on 22 April 2022 and signed on its behalf on the same date by:



**G Cockerill**  
Director

## **SUPPLEMENTAL INFORMATION - IFPRU & COUNTRY-BY-COUNTRY REPORTING**

The Company is subject to the Country-by-Country Reporting obligation under Article 89 of the Capital Requirements Directive IV.

The Company has published its annual reporting obligation for the year ended 31 December 2021 in these financial statements as follows:

i.	Names of the Company, subsidiaries or branches, nature of activities and geographical location	Directors Report, Note 1 and Note 12
ii.	Turnover	Statement of Comprehensive Income
iii.	Number of employees on a full-time equivalent basis	Note 6
iv.	Loss before taxation	Statement of Comprehensive Income
v.	Tax on loss	Note 9
vi.	Public subsidies received	£NIL

### **Note 1 – Accounting policies**

The basis of preparation and accounting policies are consistent with those set out in note 2 to the financial statements.

### **IFPRU 9 disclosures**

The Company is required to disclose its return on assets, calculated as net profit divided by total balance sheet:

i.	Total comprehensive loss	(£8,261,126)
ii.	Net assets	£16,201,469
iii.	Return on assets	(51%)

# ***Independent auditors' report to the directors of Rowan Dartington & Co. Limited***

## **Report on the audit of the country-by-country information**

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### **Opinion**

In our opinion, Rowan Dartington & Co. Limited's country-by-country information for the year ended 31 December 2021 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 December 2021 in the Country-by-Country Report.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Emphasis of matter - Basis of preparation**

In forming our opinion on the country-by-country information, which is not modified, we draw attention to Supplemental Information - -IFPRU & Country-by-Country Reporting on page 41 which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

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### **Conclusions relating to going concern**

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 the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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### **Reporting on other information**

The other information comprises all of the information in the Country-by-Country Report other than the country-by-country information and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the country-by-country information does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the country-by-country information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the country-by-country information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the country-by-country information or a material misstatement of the other information. 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 based on these responsibilities.

## **Responsibilities for the country-by-country information and the audit**

### *Responsibilities of the directors for the country-by-country information*

As explained more fully in the Directors' Responsibilities Statement set out on page 40, the directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation in note 2.1 and accounting policies in note 2 to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, 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.

### *Auditors' responsibilities for the audit of the country-by-country information*

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

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

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/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the country-by-country information. We also considered those laws and regulations that have a direct impact on the country-by-country information such as the Companies Act 2006 and the Capital Requirements (Country-by-Country Reporting) Regulations 2013. We evaluated management's incentives and opportunities for fraudulent manipulation of the country-by-country information (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue. Audit procedures performed included:

- Enquiries of compliance, risk, internal audit, and the Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the country-by-country information. 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 country-by-country information is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

ROWAN DARTINGTON & CO. LIMITED

A handwritten signature in black ink, appearing to read 'Andrew Moore', written in a cursive style.

Andrew Moore

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

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SE1 2RT

22 April 2022