

Premier Financial Management Limited

Annual Report and Financial Statements for the 16 months ended 31 December 2020

Registered Number: 03350242 (England & Wales)

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Premier Financial Management Limited

Financial Statements for the 16 months ended 31 December 2020

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Premier Financial Management Limited

Company Information

Directors

Mr S R Brunt (appointed 30 September 2020)
Mr D Horner (appointed 30 September 2020)
Mr T M Jackson
Ms M B McIntyre (appointed 30 September 2020)
Mr G Twardzik (appointed 30 September 2020)

Company Secretary

Ms S K Jackson

Company Number

03350242

Registered Office

Swan House
Liston Road
Marlow
Buckinghamshire
SL7 1DP

Auditors

Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

Premier Financial Management Limited

Directors' Report

For the 16 months ended 31 December 2020

The Directors submit their annual report and audited financial statements for Premier Financial Management Limited ("the Company") for the 16 months ended 31 December 2020.

The Company has taken the small companies' exemption under s414 of the Companies Act 2006 and not presented a Strategic Report.

OVERVIEW

The Company underwent a change in ownership on 30 September 2020 and is now part of a group of companies controlled by Socium Group Holdings Limited, a company incorporated in England and Wales. Socium Group Holdings is an investment vehicle aimed at investing in independent financial advisers trading in the UK retail distribution market.

The Company's ultimate parent company is Violet Topco Limited, a Company incorporated in Jersey. Note 19 provides further information on sourcing copies of the consolidated group financial statements.

During the period, the Company changed its accounting reference date from 31 August to 31 December and thus the audited period of accounts is 16 months ended 31 December 2020. The comparative period of account is a period of 12 months to 31 August 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of independent financial advice to individuals and corporate clients.

DIRECTORS

The Directors who served the Company during the year and to the date of this report were as follows:

Mr S R Brunt (appointed 30 September 2020)
Mr D Horner (appointed 30 September 2020)
Mr T M Jackson
Ms M B McIntyre (appointed 30 September 2020)
Mr G Twardzik (appointed 30 September 2020)

RESULTS, DIVIDENDS AND FUTURE PROSPECTS

The profit for the year after taxation, for the 16 months ended 31 December 2020, amounted to £2,594,700 (Year to 31 August 2019: £2,348,457 restated). The Directors have declared and paid a dividend to B ordinary shareholders of £8,600,000 for the 16 months ended 31 December 2020 (year ended 31 August 2019: £400,000 to A1 Ordinary shareholders).

Business performance in 2020 was robust given the social and economic challenges brought by the COVID-19 pandemic. The pandemic significantly impacted global markets, correlating directly to client portfolio values, ongoing advice revenues and impacting new business opportunities. Social distancing and lockdown restrictions tested the traditionally face-to-face advice business model, however the Company adapted quickly, and successfully, to adopt new practices, ensuring excellent client service was maintained and partnerships strengthened through this turbulent period. The Company remained strongly profitable and cash generative demonstrating the resilience of the business model. UK markets strengthened through Q4 20 and supported by the UK vaccine rollout and prospective reduction in social distancing measures in 2021, the directors consider the outlook of the Company to be strong.

GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue to trade for at least 12 months from the date of this report and as a consequence have continued to adopt the going concern basis of accounting in preparing the financial statements.

The assessment of the latest financial forecasts includes:

- Consideration of macro-economic trends in the context of the ongoing impact of COVID-19 and Brexit and sensitivity analysis to assess the impact of severe but plausible scenarios, and
- The impact of COVID-19 on Company working arrangements, adaption to remote working practices and employee wellbeing.

SUBSEQUENT EVENTS

No events have occurred between the balance sheet date and the date of this report, which have had an adjusting impact on the results and amounts disclosed in the financial statements. See Note 20 for further details.

Premier Financial Management Limited

Directors' Report

For the 16 months ended 31 December 2020 (continued)

DIRECTOR INDEMNITIES

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

POLITICAL CONTRIBUTIONS

The Company did not make any political contributions during the period (year ended 31 August 2019: £nil).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

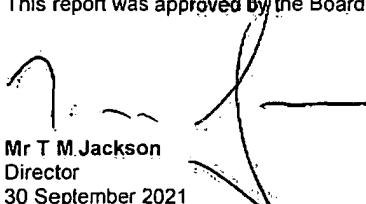
- So far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- That directors have taken all steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors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

AUDITORS

Deloitte LLP were appointed as auditors of the Company on 1 October 2020. Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

ON BEHALF OF THE BOARD

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



Mr T M Jackson
Director
30 September 2021

Premier Financial Management Limited

Statement of Directors Responsibilities For the 16 months ended 31 December 2020

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Premier Financial Management Limited

Independent Auditor's Report

For the 16 month period ended 31 December 2020

Independent auditor's report to the members of Premier Financial Management Limited

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the financial statements of Premier Financial Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the 16 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for qualified opinion

The company's investment, accounted for at fair value through profit and loss, was carried at £2,707,975 on the statement of financial position at 31 August 2019 and a profit on investments recognised in the income statement of £126,232 in the 16 month period ended 31 December 2020. This investment was previously recognised at cost and on transition to FRS 101 recognised at fair value. We were unable to obtain sufficient appropriate audit evidence about the fair value of those investments with a carrying amount of £2,707,975 as at 31 August 2019 and the profit on investments recognised of £126,232 as independent evidence to verify the existence and valuation of the investments was not available. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

The company had participated in EMS share option schemes for three of its employees, with options issued in 2013, 2015 and 2018, respectively. IFRS 2 requires the share-based payment transactions to be measured at fair value at the date of issue and that fair value recognised over the vesting period. We were unable to obtain sufficient appropriate audit evidence about the fair value of those share options which resulted in a charge of £677,362 being recognised within administrative expenses in the income statement (and corresponding credit in the statement of changes in equity) for the 16 month period ended 31 December, as no information was available to support the fair values as of the issue date. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

The company's tangible fixed assets recognised at cost, were carried at £529,244 on the statement of financial position as at 31 August 2019 with depreciation of £180,267 and a loss on disposal of tangible fixed assets of £415,207 recorded in the income statement for the 16 month period ended 31 December 2020. We were unable to obtain sufficient appropriate audit evidence about the existence and valuation of those tangible fixed assets at 31 August 2019 due to the unavailability of financial information and therefore conclude on the depreciation of £180,267 and loss on disposal of tangible fixed assets of £415,207 recorded in the income statement. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

In addition, were any adjustments to the amounts referred to above required, the profit for the period ended 31 December 2020 in the Directors' Report would need to be amended.

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

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

Premier Financial Management Limited

Independent Auditor's Report

For the 16 month period ended 31 December 2020 (continued)

Conclusions relating to going concern

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

Based on our work 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 12 months from when the financial statements were authorised for issue.

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

Other information

The other information comprises the information included in the annual report. The directors are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning:

- the carrying amount of the investments at 31 August 2019 and gain on disposal of investments for the 16 month period ended 31 December 2020;
- the charge relating to share options for the 16 month period ended 31 December 2020; and
- the carrying amount of tangible fixed assets at 31 August 2019 and the depreciation and loss on disposal of tangible fixed assets for the 16 month period ended 31 December 2020.

We have concluded that where the other information refers to these matters or related amounts such as profit for the period it may be materially misstated for the same reasons.

Responsibilities of directors

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

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

In addition to their responsibilities described above, the directors are also responsible for considering whether the company, subsequent to the balance sheet date, has sufficient distributable profits to make a distribution at the time the distribution is made.

Premier Financial Management Limited

Independent Auditor's Report

For the 16 month period ended 31 December 2020 (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Our responsibility is also to report whether, in our opinion, the subject matters of our qualification of our auditor's report on the financial statements for the period ended 31 December 2020 is material for determining, by reference to those financial statements, whether the distribution proposed by the company is permitted under section 830 of the Companies Act 2006. We are not required to form an opinion on whether the company has sufficient distributable reserves to make the distribution proposed at the time the distribution is made.

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence and regulatory solvency requirements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

- risk that revenue was not recognised in the correct accounting year – we have tested the adjustment posted by Management to recognise the income accrual and concluded that the revenue recognised in the financial statements was appropriate.

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

Premier Financial Management Limited

Independent Auditor's Report

For the 16 month ended 31 December 2020 (continued)

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

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the licensing authority.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Except for the possible effects of the matters described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in directors' report.

Matters on which we are required to report by exception

Arising solely from the limitation on scope of our work relating to the matters referred to in the Basis for qualified opinion section above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Statement pursuant to section 837(4) of the Companies Act 2006

Opinion

In our opinion the subject matters of the above qualification is not material for determining by reference to these financial statements whether any distribution proposed by the company is permitted under section 830 of the Companies Act 2006.

Other matter

As the Company was exempt from audit under section 477 of the Companies Act 2006 in the prior year, we have not audited the corresponding amounts for that year.

Premier Financial Management Limited

Independent Auditor's Report

For the 16 month ended 31 December 2020 (continued)

Use of our report

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



Paul Cowley CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
30 September 2021

Premier Financial Management Limited

Statement of Comprehensive Income For the 16 months ended 31 December 2020

			Restated (Note 18) Unaudited
	Notes	16 months to 31 December 2020 £	12 months to 31 August 2019 £
Turnover	3	6,710,348	4,655,353
Cost of Sales		(190)	-
Gross Profit		6,710,158	4,655,353
Administrative expenses	4&5	(3,099,667)	(1,917,378)
Operating Profit		3,610,491	2,737,975
Investment income	6	36,488	36,921
Gain on Investments		126,232	144,448
Loss on disposal of tangible fixed assets		(415,207)	(12,466)
Finance Costs		(29,972)	-
Profit before taxation		3,328,032	2,906,878
Tax on Profit	7	(733,332)	(558,421)
Profit for the period		2,594,700	2,348,457
Total comprehensive income for the period		2,594,700	2,348,457

All results are derived from continuing operations.

The notes on pages 12 to 28 form part of these financial statements.

Premier Financial Management Limited

Statement of Financial Position as at 31 December 2020

		31 December	Restated (Note 18) Unaudited 31 August
	Notes	2020 £	2019 £
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	183,152	529,244
Right-of-use assets	9	188,107	-
		<u>371,259</u>	<u>529,244</u>
Current assets			
Investments	10	-	2,707,975
Trade and other receivables	11	488,531	424,792
Cash and cash equivalents	12	1,583,806	4,013,784
Deferred tax asset	15	1,459	-
		<u>2,073,796</u>	<u>7,146,551</u>
Total Assets		2,445,055	7,675,795
LIABILITIES			
Current liabilities			
Trade and other payables	13	(26,340)	(188,366)
Lease liabilities	14	(69,498)	-
Current tax liabilities		(149,542)	(247,096)
		<u>(245,380)</u>	<u>(435,462)</u>
Non-current liabilities			
Lease Liabilities	14	(137,013)	-
Deferred tax liability	15	-	(47,776)
Long term provisions	16	(3,140)	(18,276)
		<u>(140,153)</u>	<u>(66,052)</u>
Total liabilities		(385,533)	(501,514)
Net assets		<u>2,059,522</u>	<u>7,174,281</u>
EQUITY			
Share capital	17	2	2
Share premium		238,269	-
Retained earnings	18	1,821,251	7,174,279
		<u>2,059,522</u>	<u>7,174,281</u>

The notes on pages 12 to 28 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on September 2021 and signed on their behalf by:


Mr S R Brunt
 Director

Premier Financial Management Limited

Statement of Changes in Equity For the 16 months ended 31 December 2020

	Share Capital	Share Premium	Retained Earnings	Total Equity
	£		£	£
Balance at 1 September 2018 (as previously stated):	2	-	4,741,678	4,741,680
Restatement - see note 19	-	-	394,576	394,576
Balance at 1 September 2018 (restated)	2	-	5,136,254	5,136,256
Total comprehensive income (unaudited)	-	-	2,348,457	2,348,457
Dividends (unaudited)	-	-	(400,000)	(400,000)
Credit for share-based payments	-	-	89,568	89,568
Balance at 31 August 2019	2	-	7,174,279	7,174,281
Restated for adoption of IFRS 16 (see Note 9)	-	-	(25,090)	(25,090)
Balance at 1 September 2019	2	-	7,149,189	7,149,191
Dividends	-	-	(8,600,000)	(8,600,000)
Total comprehensive income	-	-	2,594,700	2,594,700
Arising on issue of shares	-	238,269	-	238,269
Credit for share-based payments	-	-	677,362	677,362
Balance at 31 December 2020	2	238,269	1,821,251	2,059,522

The notes on 12 to 28 form part of these financial statements.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020

1. Corporate Information

Premier Financial Management Limited is a Company incorporated in England & Wales. The registered address of the Company is given on Page 1.

2. Accounting policies

2.1 Basis of preparation

Statement of compliance

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 "reduced Disclosure Framework" ("FRS 101").

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of Socium Group Holdings Limited.

Transition to FRS 101

Previously the financial statements were prepared in accordance with UK GAAP (FRS 102) and as a result of the change in ownership during the year, FRS 101 has been adopted. The adoption had resulted in comparative figures being restated, which is further explained and reconciled in Note 18.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue to trade for the foreseeable and as a consequence have continued to adopt a going concern basis of accounting in preparing the financial statements. See the Directors Report on page 2 for further information.

Critical judgements and key areas of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

No critical judgements or estimates have been identified within the financial statements.

2.2 Revenue recognition

Turnover represents commissions and fee income in respect of the introduction of financial products to financial service companies, together with fees charged for advice given. The majority of turnover is provider facilitated and paid through deduction from the investment or commission paid. Revenue is recognised in accordance with the IFRS 15 five step recognition model. All revenues are specific to both client and product and separately identifiable. The terms of the transaction price and any initial and on-going fees payable are set out in the signed client agreement.

Advice fees that relate to on-going client servicing contracts are recognised in line with the duration of those performance requirements. The on-going client servicing charge is typically a percentage of a client's investment value and is accrued monthly based on latest valuations. The receipt of cash from providers is generally one month in arrears and this can give rise to differences between the accrued value and the actual cash received. Any revisions to the accrual are recognised in the period in which the estimate is revised.

Income relating to new business product sales is determined to have no future performance or service obligations. In accordance with IFRS 15 five step model this revenue is recognised at the inception date when the policies are placed on risk with product providers.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

2.3 Taxation

Current income tax

Current income tax assets and liabilities for the current periods are measured as the amount expected to be recovered from or paid to the taxation authorities or paid to or recovered from other group companies in respect of group relief surrendered or received. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss and other comprehensive income.

The taxation charge is based on the taxable result for the year. The taxable result for the year is determined in accordance with the rules established by the taxation authorities for calculating the amount of corporation tax payable.

Deferred income tax

Deferred taxes are calculated according to the statement of financial position method, based on temporary timing differences between reported and tax values of assets and liabilities. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax liabilities are not discounted.

Deferred tax assets are recognised for all the temporary timing differences to the extent that it is probable that taxable profit will be available against which deductible temporary timing differences can be utilised.

Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2.4 Tangible fixed assets

Tangible fixed assets are recognised as an asset only if it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

An asset that qualifies for recognition is measured at its cost comprising the purchase price, any costs 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 and an initial stated at cost less depreciation.

After recognition, all assets are carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over the expected useful lives on the following basis:

Office Equipment	33% on the reducing balance
Leasehold improvements	20% on the reducing balance

2.5 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

2.5 Leases (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Tangible fixed assets' policy.

2.6 Financial Instruments

Investments

Bills of exchange, bonds and debentures with fixed or determinable payments and fixed maturity dates are classified as investments and are carried at fair value at the end of the reporting period.

Financial assets carried at amortised cost

Financial assets are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Financial assets carried at amortised cost are classified as loans and receivables and comprise trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred.

Impairment of financial assets

The Company always recognises lifetime ECL (expected credit losses) for trade receivables and intercompany receivables. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Financial liabilities carried at amortised cost

Financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

2.7 Pensions

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

2.9 Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

2.10 Adoption of new IFRS accounting standards

IFRS 16: Leases

The Company has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for reporting periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right of use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

The Company has applied IFRS from 1 September 2019 taking the modified retrospective transition approach. This approach has been applied to the acquisition of subsidiaries where the cumulative impact of the initial application has been recognised at the date of the acquisition and reflected in the fair value of assets acquired under IFRS 3 Business Combinations.

Applying IFRS 16, for all leases except lease terms of 12 months or less and leases of low value assets, the Company:

- a) recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments;
- b) recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of consolidated comprehensive income;
- c) separates the total amount of cash paid into a principal portion and interest, both presented within financing activities, in the consolidated statement of cash flows.

Right-of use assets are tested for impairment in accordance with IAS 36 Impairment of assets.

No other new or revised standard had a material impact on the Company.

At the date of authorisation of these financial statements, the Company has not applied any new or revised IFRSs that have been issued but are not yet effective. The directors do not expect the adoption of those standards will have a material impact on the financial statements of the Company in future periods.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

3. Turnover

Turnover arises from the company's principal activity and represents commissions and fee income in respect of the introduction of financial products to financial service companies, together with fees charged for advice given. All turnover is wholly attributable to the UK.

4. Administrative expenses

Administrative expenses include:

	16 months to 31 December 2020	Unaudited 12 months to 31 August 2019
	£	£
Depreciation	180,267	136,958
Right-of-use assets depreciation	91,203	-
Auditors' remuneration	21,900	-

No other non-audit fees were paid to Deloitte LLP (year ended 31 August 2019: £nil)

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

5. Employees and Directors

Administrative expenses include:

	16 months to 31 December 2020 £	Unaudited 12 months to 31 August 2019 £
Wages and salaries	1,301,521	898,478
Social security costs	148,125	129,477
Other pension costs	185,221	157,285
	<u>1,634,867</u>	<u>1,185,240</u>

The average number of employees during the year was as follows:

	16 months to 31 December 2020	Unaudited 12 months to 31 August 2019
Directors	2	1
Administration	17	19
	<u>19</u>	<u>20</u>

	16 months to 31 December 2020 £	Unaudited 12 months to 31 August 2019 £
Directors' remuneration	98,750	8,628
	<u>98,750</u>	<u>8,628</u>

Two directors (year to 31st August 2019: nil) have minimal input in the day-to-day administration of the Company. Their remuneration is borne by Socium Group Holdings Limited and disclosed in those financial statements.

Three employees exercised share options during the period prior to being appointed as directors (year to 31st August 2019: nil).

6. Investment Income

	16 months to 31 December 2020 £	Unaudited 12 months to 31 August 2019 £
Bank interest	20,186	15,039
Interest from investments	14,209	21,882
Dividends received from investments	2,093	-
	<u>36,488</u>	<u>36,921</u>

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

7. Taxation	Restated (Note 18) Unaudited	
	16 months to 31 December 2020 £	12 months to 31 August 2019 £
Tax for the period	782,567	567,542
Prior period adjustment	-	5,458
Total current tax expense	782,567	573,000
Deferred tax (see Note 13)	(49,235)	(14,579)
Total tax expense	733,332	558,421

The tax rate used for the reconciliation is the corporate tax rate of 19.0% (12 months to 31 December 2019: 19.0%) payable by the Company in the UK on taxable profits under UK tax law.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023.

The charge for the year can be reconciled to the profit for the year as follows:

	Restated (Note 18) Unaudited	
	16 months to 31 December 2020 £	12 months to 31 August 2019 £
Profit before taxation	3,328,032	2,906,878
Corporation tax calculated at 19.0%	632,326	552,306
Effect of expenses that are not tax deductible	101,006	657
Effect of movement in provisions	-	-
Effect of dividends	-	-
Fixed asset differences	-	-
Deferred tax charge/(credit) (see note xx)	-	-
Prior period adjustment	-	5,458
Total tax expense	733,332	558,421

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

8. Tangible fixed assets

	Leasehold improvements £	Office Equipment £	Motor Vehicles £	Total £
Cost				
At 1 September 2019	533,158	151,014	99,130	783,302
Additions	277,757	13,445	-	291,202
Disposals	(595,707)	(44,529)	(99,130)	(739,366)
At 31 December 2020	<u>215,208</u>	<u>119,930</u>	<u>-</u>	<u>335,138</u>
Depreciation				
At 1 September 2019	106,632	104,056	43,370	254,058
Charge for the period	151,576	14,751	13,940	180,267
Disposals	(180,500)	(44,529)	(57,310)	(282,339)
At 31 December 2020	<u>77,708</u>	<u>74,278</u>	<u>-</u>	<u>151,986</u>
Net book value				
At 31 December 2020	<u>137,500</u>	<u>45,652</u>	<u>-</u>	<u>183,152</u>
At 31 August 2019	<u>426,526</u>	<u>46,958</u>	<u>55,760</u>	<u>529,244</u>

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

9. Right-of-use Assets

	Total £
Cost	
At 31 August 2019	-
Adoption of IFRS 16 (see note 15)	<u>342,012</u>
At 1 September 2019	342,012
Additions	<u>-</u>
At 31 December 2020	<u>342,012</u>
Depreciation	
At 31 August 2019	-
Adoption of IFRS 16 (see note 15)	<u>62,702</u>
At 1 September 2019	62,702
Charge for the period	<u>91,203</u>
At 31 December 2020	<u>153,905</u>
Net book value	
At 31 December 2020	<u>188,107</u>
At 31 August 2019	<u>-</u>

The application of IFRS 16 from 1 September 2019, to leases previously classified as operating leases, has resulted in the initial recognition of right-of-use assets of £279,310 and lease liabilities of £304,399 as at 1 September 2019.

The tables below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years.

Impact on Statement of Comprehensive Income	16 months to 31 December 2020 £	Unaudited 12 months to 31 August 2019 £
Increase in depreciation of right-of-use asset	(91,203)	-
Increase in finance costs	(29,972)	-
Decrease in other operating expenses	127,861	-
Increase in profit for the period	<u>6,686</u>	<u>-</u>

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

10. Investments

	31 December 2020	Unaudited 31 August 2019 (restated)
	£	£
Investments	-	<u>2,707,975</u>

On Adoption of FRS 101, the company was required to recognise investments at fair value rather than cost. Accordingly, the value of investments was increased to £2,707,975 - see note 18 for further information.

All investments held by the Company were disinvested during the year generating total sale proceeds of £2,834,207. The gain on disposal of £126,232 has been recognised in the Statement of Comprehensive Income.

11. Trade and other receivables

	31 December 2020	Unaudited 31 August (restated) 2019
	£	£
Prepayments and accrued income	488,531	404,764
Other debtors	-	20,028
	<u>488,531</u>	<u>424,792</u>

Accrued income has been restated to recognise the value of fees earned not received in the period (see note 18). Trade debtors are non-interest bearing and are generally on 30-day terms.

No provision for expected credit losses has been recognised in respect of financial assets 31st August 2019: £nil).

12. Cash and cash equivalents

	31 December 2020	Unaudited 31 August 2019
	£	£
Bank balances	1,583,806	4,013,784
	<u>1,583,806</u>	<u>4,013,784</u>

The carrying amount of these assets approximates to their fair value.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

13. Trade and other payables

	31 December 2020 £	Unaudited 31 August 2019 £
Trade creditors	26,340	139,000
Other taxation and social security	-	49,232
Other payables	-	134
	<u>26,340</u>	<u>188,366</u>

Trade and other payable are non-interest bearing and are normally settled within 30 days.

14. Lease liabilities

	31 December 2020 £	Unaudited 31 August 2019 £
Maturity analysis		
Year 1	85,240	-
Year 2	85,240	-
Year 3	63,930	-
Year 4	-	-
Less: unearned interest	<u>(27,901)</u>	<u>-</u>
	<u>206,511</u>	<u>-</u>
Analysed as:		
Current	69,498	-
Non-current	<u>137,013</u>	<u>-</u>
	<u>206,511</u>	<u>-</u>

The application of IFRS 16 from 1 September 2019, to leases previously classified as operating leases, has resulted in the recognition of lease liabilities of £304,399. Note 9 shows the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years. The statement of financial position has not been restated in the prior year.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

15. Deferred tax (asset)/liability

	Accelerated Tax Depreciation
	£
At 1 September 2018 (as previously presented)	
Restatement - see Note 18	62,355
At 1 September 2018 (as restated)	62,355
Credit to the income statement	(14,579)
At 31 August 2019	47,776
Credit to the income statement	(49,235)
At 31 December 2020	(1,459)

Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 August 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date and as a result, deferred tax balances as at 31 December 2020 continue to be measured at 19%. If the amended 25% rate is applied, the impact on the closing DT position would be to increase the deferred tax asset by approximately £461.

16. Provisions

	Indemnity commission
	£
At 1 September 2019 (unaudited)	18,276
Provision released	(15,136)
Provision utilised	-
At 31 December 2020	3,140

Provision is made for the repayment of indemnity commission to the product provider in the event that a policy may lapse within the indemnity period. The value of the indemnity provision is based on the lapse experience during the previous 12 month period.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

17. Called up share capital

	31 December 2020 £	Unaudited 31 August 2019 £
Authorised		
209,000 Ord Shares of £0.00001 each	-	2
47634 A1 Ord Shares of £0.00001	-	-
1 A3 Ord Shares of £0.000005	-	-
190,536 B Ord Shares of £0.00001	2	-
5 Deferred Shares of £0.000005	-	-
	<u>2</u>	<u>2</u>
	31 December 2020 £	Unaudited 31 August 2019 £
Allotted and fully paid:		
209,000 Ord Shares of £0.00001 each	-	2
47,634 A1 Ord Shares of £0.00001	-	-
1 A3 Ord Shares of £0.000005	-	-
190,536 B Ord Shares of £0.00001	2	-
5 Deferred Shares of £0.000005	-	-
	<u>2</u>	<u>2</u>

During the year, 29,176 B ordinary share options of £0.00001 were issued and fully paid.

The rights attaching to the 209,000 ordinary shares of £0.00001 and the 29,176 B ordinary shares in the capital of the Company were varied by:

- I. the reclassification of 47,634 ordinary shares into A1 ordinary shares of £0.00001
- II. the reclassification of 5,834 B ordinary shares into A1 ordinary shares of £0.00001
- III. the reclassification of 167,200 A ordinary shares into B ordinary shares of £0.00001
- IV. the adoption of new articles of association.

The rights attaching to the shares are set out in the articles of association adopted by the Company on 30 September 2020.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

18. Restatement for adoption of FRS 101

Previously the financial statements were prepared in accordance with UK GAAP (FRS 102) and as a result of the change in ownership during the year, FRS 101 has been adopted to align with the parent company's accounting policies. This has resulted in a number of transition adjustments as follows.

The company has assessed the transitional impact and identified a difference arising on the recognition of fee income under IFRS 15, Revenue from contracts with Customers. Previously fee income was recognised at the time the cash was received from the providers which is commonly paid monthly or quarterly in arrears. This fails to meet the performance obligation test as the performance is satisfied as and when the advice is provided. This has resulted in a reduction to turnover of £3,424 in the year to 31 August 2019 and an increase in net assets of £323,401 at 31 August 2019.

The company has identified the operating costs applicable to the grant of EMI share options has not previously been recognised as required under IFRS 2, Share based payments. Details of the share options are set out in note 20 with a charge of £89,568 recognised for the year ended 31 August 2019. There is no impact on the net assets at 31 August 2019.

Investments were recognised at cost under FRS 102. Under IFRS, they are recognised at fair value with any gains or losses recognised in the Income Statement. This has resulted in an increased in gains on investments of £16,232 for the year ended 31 August 2019 and an increase in net assets of £146,369 at 31 August 2019.

The associated tax impact of these matters decreases the tax charge by £14,579 for the year ended 31 August 2019 and decreases net assets by £47,776 at 31 August 2019.

The impact of the restatement of these matters at 31 August 2019, together with the implementation of FRS101, has resulted in the adjustments set out in the table below.

Prior to the recognition of the right-of-use asset, the lease of the property was not included in the balance sheet. For further details see note 9.

	Unaudited As originally stated 31 August 2019 £	IFRS 9 Adjustment £	IFRS 2 Adjustment £	IFRS 15 Adjustment £	Unaudited Restated 12 months to 31 August 2019 £
Turnover	4,658,777	-	-	(3,424)	4,655,353
Administrative expenses	-1,827,810	-	(89,568)	-	(1,917,378)
Operating Profit	2,830,967	0	-89,568	(3,424)	2,737,975
Investment income	36,921	-	-	-	36,921
Profit on Investments	128,185	16,263	-	-	144,448
Loss on disposal of tangible fixed assets	-12,466	-	-	-	(12,466)
Finance Costs	-	-	-	-	-
Profit before taxation	2,983,607	16,263	(89,568)	(3,424)	2,906,878
Tax on Profit	-573,000	(3,090)	17,018	651	(558,421)
Profit for the period	2,410,607	13,173	-72,550	(2,774)	2,348,457

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

18. Restatement for adoption of FRS 101 (continued)

Statement of Financial Position

	Unaudited As originally stated 31 August 2019 £	IFRS 9 Adjustment £	IFRS 2 Adjustment £	IFRS 15 Adjustment £	Unaudited Restated 12 months to 31 August 2019 £
ASSETS					
Non-Current Assets					
Property, plant and equipment	529,244	-	-	-	529,244
	<u>529,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529,244</u>
Current assets					
Investments	2,561,606	146,369	-	-	2,707,975
Trade and other receivables	101,391	-	-	323,401	424,792
Cash and cash equivalents	4,013,784	-	-	-	4,013,784
Deferred Tax	-	-	-	-	-
	<u>6,676,781</u>	<u>146,369</u>	<u>-</u>	<u>323,401</u>	<u>7,146,551</u>
Total Assets	7,206,025	146,369	-	323,401	7,675,795
LIABILITIES					
Current liabilities					
Trade and other payables	(188,366)	-	-	-	(188,366)
Current tax liabilities	(247,096)	-	-	-	(247,096)
	<u>(435,462)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(435,462)</u>
Non-current liabilities					
Long term provisions	(18,276)	-	-	-	(18,276)
Deferred tax liabilities	-	(27,810)	41,480	(61,446)	(47,776)
	<u>(18,276)</u>	<u>(27,810)</u>	<u>41,480</u>	<u>(61,446)</u>	<u>(66,052)</u>
Total liabilities	(453,738)	(27,810)	41,480	(61,446)	(501,514)
Net assets	6,752,287	118,559	41,480	261,955	7,174,281
EQUITY					
Share capital	2	-	-	-	2
Share premium	-	-	-	-	-
Retained earnings	6,752,285	118,559	41,480	261,955	7,174,279
	<u>6,752,287</u>	<u>118,559</u>	<u>41,480</u>	<u>261,955</u>	<u>7,174,281</u>

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

19. Profit and loss account

	31 December 2020 £	Restated Unaudited 31 August 2019 £
Balance brought forward (as previously stated)	7,174,279	4,741,678
IFRS transition adjustments (see note 18)	-	394,576
Adoption of IFRS 16 (see note 9)	(25,090)	-
Restated balance at the beginning of the period	7,149,189	5,136,254
Profit for the period	2,594,700	2,348,457
Dividends paid	(8,600,000)	(400,000)
Credit in respect of share based payments (restated)	677,362	89,568
At the end of the period	1,821,251	7,174,279

20. Share-based payments

The Company participated in a share option scheme for three of its employees. Options were exercised on the shares of the Company on 30 September 2020 at a price equal to the estimated fair value of the Company's shares on the date of grant. The ten-year vesting period was not exceeded for any of the options issued prior to exercise.

The weighted average share price at the date of exercise for share options exercised during the period was £8.167 (year to 31st August 2019: nil). There were no options outstanding at 31 December 2020. In 2013, 11,000 options were granted on 20 June 2013. The aggregate of the estimated fair value of the options granted on those dates is £210,804. In 2015, 4,000 options were granted on 8 April 2015. The aggregate of the estimated fair values of the options granted on those dates is £140,925. In 2018 14,172 options were granted on 6 April 2018. The aggregate of the estimated fair values of the options granted on those dates is £782,220.

During the period ended 31 December 2020, 29,172 share options were exercised prior to the anticipated vesting date, resulting in a charge in the year of £677,362 (year to 31 August 2019 (restated): £89,568). This charge included additional amounts to reflect the shortened vesting period.

The Company has restated comparative information to reflect the charge of £89,568 that had not been recognised in accordance with IFRS 2. The effect of this adjustment on the income statement and the statement of financial position are shown in note 18.

21. Controlling party

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is Violet Topco Limited, a Company incorporated in Jersey. The parent undertaking of the largest group, which includes the Company for which group accounts are prepared, is Violet Topco Limited, a Company incorporated in Jersey, at Second Floor, Number 4, The Forum, Grenville Street, St Helier, Jersey JE2 4UF. The parent undertaking of the smallest such group is Socium Group Holdings Limited, a Company incorporated in England and Wales at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 8W.

Copies of the group financial statements of Violet Topco Limited are available from the Jersey Financial Services Commission, 14 – 18 Castle Street, St Helier JE4 8TP, Jersey. Copies of the group financial statements of Socium Group Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Companies immediate controlling party is Socium Group Holdings Limited.

Premier Financial Management Limited

Notes to the Financial Statements for the period ended 31 December 2020 (continued)

22. Events after the reporting period

The COVID-19 pandemic is ongoing in 2021 and its impact on the macro-economic and social conditions has a correlating effect on client portfolio values, ongoing advice revenues and new business opportunities, as seen throughout 2020. The Company remained strongly profitable and cash generative demonstrating the resilience of the business model, characterised by a high proportion of recurring revenue, low dependence on new business generation and robust gross profit margins. Accordingly, the Directors are satisfied that the Company continues to operate on a going concern basis.

No events have occurred between the balance sheet date and the date of this report, which have had an adjusting impact on the results and amounts disclosed in the financial statements.