

Monahans Financial Services Limited
(Trading as Shipman Monahans Wealth Management)

Annual Report and Financial Statements

For the year ended 31 December 2022



Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

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Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Company Information

Directors Mr S P Ewings
Mr J M Thomas
Ms L J Ernest (appointed 5 January 2022)

Registered number 03710646

Registered office Ground Floor Eagle House
1 Babbage Way
Exeter
Devon
EX5 2FN

Independent auditor Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Directors' Report For the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022, with comparatives for the 9 months to 31 December 2021.

This Company has taken the small companies exemption under section 414B of the Companies Act 2006 and not presented a Strategic Report.

Overview

The Company is part of a group of companies controlled by Amber River Group Limited, a company incorporated in England and Wales. Amber River Group Limited is an investment vehicle aimed at investing in independent financial advisers trading in the UK retail distribution market.

During the year the Company adopted the Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") having previously applied Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The impacts of this adoption are shown in note 24.

Principal activity

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

Results, dividends and future prospects

The profit for the year, after taxation, amounted to £1,344,898 (9 months to 31 December 2021 - £1,149,428).

Dividends paid during the year amounted to £1,313,214 (9 months to 31 December 2021 - £630,000).

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate financial 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 Russia/Ukraine conflict and the cost of living crisis and sensitivity analyses to assess the impact of severe but plausible scenarios;
- after COVID-19, any impact on the Company's working arrangements including the adoption of remote working practices and employee wellbeing.

The impact of broader climate change challenges is primarily limited to secondary financial market impacts, as the principal activities of the Company are the provision of regulated advice within the UK market.

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Directors' Report (continued)
For the year ended 31 December 2022

Directors

The directors who served during the year and up to the date of this report were:

Mr S P Ewings
Mr J M Thomas
Ms L J Ernest (appointed 5 January 2022)
Mr P R Ellis (appointed 5 January 2022, resigned 1 August 2022)
Mr M A Williams (appointed 5 January 2022, resigned 1 August 2022)
Mr D I Black (resigned 5 January 2022)
Mr M J Longmore (resigned 5 January 2022)

Political contributions

The Company did not make any political contributions during the year (9 months to 31 December 2021: £nil).

Statement as to disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Subsequent events

On 9th December 2022, the Company signed a new property lease to occupy premises at Newark Works (Bath). The new lease commences in 2023 and has had no adjusting impact on the financial statements for 31 December 2022.

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

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.

Auditors

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The previous auditor resigned and subsequent to this Deloitte LLP were appointed.

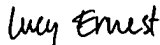
Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Directors' Report (continued)
For the year ended 31 December 2022

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:

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Ms L J Ernest
Director

Date: 29 August 2023

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Directors' Responsibilities Statement For the year ended 31 December 2022

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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Independent Auditor's Report to the Members of Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management) (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year 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 24.

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.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Independent Auditor's Report to the Members of Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management) (continued)

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, as set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Independent Auditor's Report to the Members of Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management) (continued)

including those that are specific to the company's business sector.

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 including relevant internal specialists, such as tax, 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 deferred consideration is not valued appropriately: we tested the key assumptions used to determine the value of deferred consideration, including assessing forecast profits, to ensure that the fair value of deferred consideration was not mis-stated.

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management 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, 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.

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Independent Auditor's Report to the Members of Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management) (continued)

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

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

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

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

Date: 29 August 2023

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Statement of Comprehensive Income For the year ended 31 December 2022

	Notes	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Turnover	4	4,171,288	3,168,782
Gross profit		4,171,288	3,168,782
Administrative expenses		(2,508,148)	(1,750,046)
Operating profit	5	1,663,140	1,418,736
Investment income	9	3,134	-
Other gains and losses		(6,374)	-
Profit before tax		1,659,900	1,418,736
Tax on profit	10	(315,002)	(269,308)
Profit for the financial year		1,344,898	1,149,428

There was no other comprehensive income for 2022 (9 months to 31 December 2021: £NIL).

The notes on pages 14 to 29 form part of these financial statements.

All results are derived from continuing operations.

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Registered number:03710646

Statement of Financial Position As at 31 December 2022


	Notes	2022 £	2021 £
Fixed assets			
Property and equipment	12	25,811	31,486
Intangible assets	13	955,978	-
		<u>981,789</u>	<u>31,486</u>
Current assets			
Debtors: amounts falling due within one year	14	1,224,498	154,126
Cash at bank and in hand	15	634,677	1,834,633
		<u>1,859,175</u>	<u>1,988,759</u>
Creditors: amounts falling due within one year	16	(1,047,558)	(646,098)
Net current assets		<u>811,617</u>	<u>1,342,661</u>
Total assets less current liabilities		<u>1,793,406</u>	<u>1,374,147</u>
Creditors: amounts falling due after more than one year	17	(192,133)	-
		<u>1,601,273</u>	<u>1,374,147</u>
Provisions for liabilities			
Deferred taxation	19	-	(5,308)
Other provisions	20	(5,100)	(4,350)
		<u>(5,100)</u>	<u>(9,658)</u>
Net assets		<u>1,596,173</u>	<u>1,364,489</u>
Capital and reserves			
Called up share capital	21	50,001	50,000
Share premium account		199,999	-
Profit and loss account		1,346,173	1,314,489
		<u>1,596,173</u>	<u>1,364,489</u>

**Monahans Financial Services Limited (Trading as Shipman Monahans
Wealth Management)**

Registered number:03710646

**Statement of Financial Position (continued)
As at 31 December 2022**

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

DocuSigned by:

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Ms L J Ernest
Director

Date: 29 August 2023

The notes on pages 14 to 29 form part of these financial statements.

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Statement of Changes in Equity **For the year ended 31 December 2022**

	Called up share capital £	Share premium account £	Retained earnings £	Total equity £
At 1 April 2021	50,000	-	795,061	845,061
Comprehensive income for the year				
Profit for the period	-	-	1,149,428	1,149,428
Transactions with shareholders				
Dividends (see note 11)	-	-	(630,000)	(630,000)
At 1 January 2022	50,000	-	1,314,489	1,364,489
Comprehensive income for the year				
Profit for the year	-	-	1,344,898	1,344,898
Transactions with shareholders				
Dividends (See note 11)	-	-	(1,313,214)	(1,313,214)
Shares issued during the year	1	199,999	-	200,000
At 31 December 2022	50,001	199,999	1,346,173	1,596,173

The notes on pages 14 to 29 form part of these financial statements.

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

1. General information

Monahans Financial Services Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The Registered address of the Company is given on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 24.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- 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 in indebtedness relating to amounts payable after 5 years required by company law 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 73(e) of IAS 16 Property, Plant and Equipment;
- 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;

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions (continued)

- 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 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 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 future, being at least 12 months from the date of approval of the report and as a consequence have continued to adopt a going concern basis of accounting in preparing the financial statements. See Directors' report on page 2 for further information.

2.4 Impact of new international reporting standards, amendments and interpretations

At the date of authorisation of these financial statements, there are no new or revised IFRSs that have been issued but are not yet effective that will have a material impact on the financial statements of the company in future periods. 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.

2.5 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 the deduction from the investment or commission paid. Revenue is recognised in accordance with IFRS 15 five step reconciliation model. All revenues are specific to both client and product and separately identifiable. The terms of the transactions 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 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 received one month in arrears and this can give rise to differences between the accrued value and the actual cash received. Any revision to the accrual is recognised in the period 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.

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.6 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.

2.7 Property and equipment

Property and equipment 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:

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.7 Property and equipment (continued)

Depreciation is provided on the following basis:

Short-term leasehold property	-	15% reducing balance / 33% straight line
Fixtures and fittings	-	15% reducing balance / 33% straight line

During the period, the accountancy policies for depreciation were aligned across the group, and has no material impact towards the financial statements.

2.8 Leases

The Company assess 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 (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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 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 'Property and Equipment' policy.

2.9 Financial instruments

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

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.9 Financial instruments (continued)

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

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.

Credit risk relates mainly to trade debtors, which are primarily provider facilitated commissions and fee income paid through the deduction from the investment or commissions paid. A significant increase in credit risk is assessed based on historic credit loss experience and any material changes to contractual terms and/or trade debtor portfolio representation. This assessment determines there has been no significant increase in credit risk.

Impairment of non-financial assets

Non-financial assets are assessed for impairment annually, or if an indicator of impairment is identified. The assets recoverable amount is calculated as the higher of value in use and fair value less costs of disposal. Where this is less than the asset's carrying amount, an impairment is recorded. No impairment has been recorded during the year.

Financial liabilities earned at amortised cost

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

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.

Financial liabilities at fair value

Financial liabilities are recognised on the statement of financial position when the Company becomes party to contractual obligations to pay deferred consideration on business and asset purchases. Financial liabilities are recognised at fair value, which gives rise to a discount unwind cost recorded in the statement of comprehensive income, as the initial discounted value is unwound. Any subsequent revaluation of the financial liability is recognised as a fair value gain or loss in the statement of comprehensive income.

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.10 Pensions

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

Any amounts remaining payable at the balance sheet date are recorded as liabilities.

2.11 Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

2.12 Interest income

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

2.13 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.

Intangible assets are tested for impairment annually and are amortised over 10 years on a straight-line basis

2.14 Cash and cash equivalents

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

2.15 Dividend income

Dividend income is recognised in the Statement of Comprehensive Income on the date on which the Company's right to receive payment is established.

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

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, 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. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are a number of judgments applied within the financial statements based on expertise and experience, however individually none of these are considered to have a material impact on the financial statements.

Key source of estimation uncertainty

The key estimates that have the most significant impact upon the financial statements include:

Deferred consideration

Deferred consideration of £422,693 for the Company is contingent upon the asset purchase meeting certain performance levels with a reduction from these levels resulting in a reduction in the level of the deferred consideration paid. The Group reviews the anticipated level of performance to ensure that the carrying value of the deferred consideration is appropriate. Given that the asset purchase completed on 1 December 2022, there are no changes in the fair value assessment at the balance sheet date.

4. Turnover

Turnover arises from the Company's principal activity. All turnover is wholly attributable to the UK.

5. Operating profit

The operating profit is stated after charging:

	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Depreciation of property and equipment	13,146	5,526
Amortisation of intangible assets	5,341	-
Defined contribution pension cost	172,277	224,860

6. Auditor's remuneration

	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	18,600	18,000

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Notes to the Financial Statements For the year ended 31 December 2022

7. Employees

	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Wages and salaries	1,492,410	929,350
Social security costs	168,150	139,831
Cost of defined contribution scheme	172,277	224,860
	<u>1,832,837</u>	<u>1,294,041</u>

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

	12 months to 31 December 2022 No.	9 months to 31 December 2021 No.
Directors	2	3
Administration	24	23
	<u>26</u>	<u>26</u>

8. Directors' remuneration

	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Directors' emoluments	475,926	408,508
Company contributions to defined contribution pension schemes	25,886	68,675
	<u>501,812</u>	<u>477,183</u>

During the year retirement benefits were accruing to 2 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £283,076 (9 months to Dec 2021 - £193,296).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,886 (9 months to Dec 2021 - £44,468).

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

9. Investment income

	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Bank interest receivable	1,030	-
Other interest receivable	2,104	-
	<u>3,134</u>	<u>-</u>

10. Taxation

	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Corporation tax		
Current tax on profits for the year	320,476	266,072
Adjustments in respect of previous periods	3,796	-
Total current tax	<u>324,272</u>	<u>266,072</u>
Deferred tax		
Origination and reversal of timing differences	(4,153)	3,236
Adjustments in respect of previous periods	(5,117)	-
Total deferred tax	<u>(9,270)</u>	<u>3,236</u>
Taxation on profit on ordinary activities	<u>315,002</u>	<u>269,308</u>

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

10. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Profit on ordinary activities before tax	1,659,899	1,418,736
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	315,381	269,560
Effects of:		
Expenses not deductible for tax purposes	1,350	4,406
Fixed asset differences	589	-
Adjustments to tax charge in respect of prior years	(1,321)	-
Other timing differences leading to an increase (decrease) in taxation	-	(4,658)
Remeasurement of deferred tax for changes in tax rates	(997)	-
Total tax charge for the year/period	315,002	269,308

Factors that may affect future tax charges

The Finance Act 2021 announced a further increase of the to the main rate of corporation tax to 25% from April 2023. This was enacted in June 2021.

11. Dividends

	12 months to 31 December 2022 £	9 months to 31 December 2021 £
Ordinary Dividends	1,313,214	630,000

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements **For the year ended 31 December 2022**

12. Property and equipment

	Furniture, fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2022	60,207	81,456	141,663
Additions	939	6,532	7,471
Disposals	(58,257)	(34,866)	(93,123)
At 31 December 2022	2,889	53,122	56,011
Depreciation			
At 1 January 2022	57,514	52,663	110,177
Charge for the year	3,632	9,514	13,146
Disposals	(58,257)	(34,866)	(93,123)
At 31 December 2022	2,889	27,311	30,200
Net book value			
At 31 December 2022	-	25,811	25,811
At 31 December 2021	2,693	28,793	31,486

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Notes to the Financial Statements For the year ended 31 December 2022

13. Intangible assets

	Client Banks £
Cost	
At 1 January 2022	-
Additions	961,319
At 31 December 2022	<u>961,319</u>
Amortisation	
At 1 January 2022	-
Charge for the year	5,341
At 31 December 2022	<u>5,341</u>
Net book value	
At 31 December 2022	<u>955,978</u>
At 31 December 2021	<u>-</u>

During the year the Company acquired certain assets comprising the business of Oldbury Financial Services Limited. The initial payment was £545,000 and the discounted present value of deferred consideration is £416,319, resulting in intangible asset additions of £961,319.

14. Debtors

	2022 £	2021 £
Trade debtors	29,677	111,291
Amounts owed by group undertakings	1,004,990	-
Other debtors	3,584	1,825
Prepayments and accrued income	182,285	41,010
Deferred taxation	3,962	-
	<u>1,224,498</u>	<u>154,126</u>

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

14. Debtors (continued)

Trade debtors are non-interest bearing and are generally on 30 day terms.

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

No provision for expected credit losses has been recognised in respect of financial assets.

15. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	634,677	1,834,633

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,202	60,017
Amounts owed to group undertakings	174,299	-
Corporation tax	320,475	177,933
Other taxation and social security	48,158	90,903
Deferred consideration	Note 18 230,560	-
Other creditors	23,295	41,304
Accruals and deferred income	248,569	275,941
	<u>1,047,558</u>	<u>646,098</u>

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

Trade creditors are non-interest bearing and are generally on 30 day terms.

Amounts owed to group undertakings are non-interest bearing and repayable on demand.

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Notes to the Financial Statements For the year ended 31 December 2022

17. Creditors: Amounts falling due after more than one year

		2022 £	2021 £
Deferred consideration	Note 18	192,133	-
		<u>192,133</u>	<u>-</u>

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

18. Deferred consideration

	2022 £	2021 £
Maturity analysis		
Due within 12 months	230,560	-
Due within one to two years	192,133	-
	<u>422,693</u>	<u>-</u>

19. Deferred taxation

	2022 £
At beginning of year	5,308
Charged to profit or loss	(9,270)
At end of year	<u>(3,962)</u>

Deferred tax balances has been calculated to 25% at the year end (2021 19%).

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Fixed asset temporary differences	1,835	5,308
Short term temporary differences	(5,797)	-
	<u>(3,962)</u>	<u>5,308</u>

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Notes to the Financial Statements For the year ended 31 December 2022

20. Provisions

	Clawbacks £
At 1 January 2022	4,350
Charged to profit or loss	750
At 31 December 2022	5,100

The clawback provision is made for overpayment of indemnity commission to the product provider in the event that the policy may lapse within the indemnity period. It is uncertain what the number and monetary value will be of any such lapses.

These provisions are expected to be settled in more than one year.

21. Share capital

	2022 £	2021 £
Authorised, allotted, called up and fully paid		
50,001 (2021 - 50,000) Ordinary shares of £1.00 each	50,001	50,000

Ordinary shares voting rights and entitlement to a share in a distribution of profits as disclosed in the memorandum and articles of association available at companies house.

During the year 1 ordinary share was issued for £200,000, and the additional receipt is reflected in the share premium account.

22. Subsequent Events

On 9th December 2022, the Company signed a new property lease to occupy premises at Newark Works (Bath). The new lease commences in 2023 and has had no adjusting impact on the financial statements for 31 December 2022.

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

Monahans Financial Services Limited (Trading as Shipman Monahans Wealth Management)

Notes to the Financial Statements For the year ended 31 December 2022

23. 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 and smallest group which includes the Company for which group accounts are prepared and that are available for public use is Amber River Group Limited, a company registered in England and Wales at Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS.

Copies of the group financial statements of Amber River Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The companies immediate parent is Monahans Holdings Limited and is registered at Ground Floor, Eagle House 1 Babbage Way, Exeter Science Park, Exeter, Devon, England, EX5 2FN.

24. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.