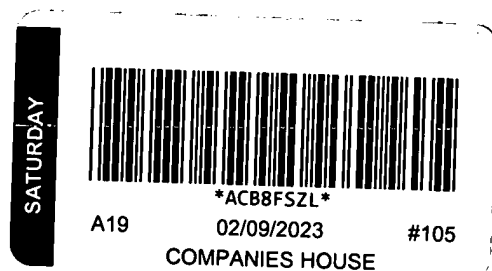




# ATOMOS FINANCIAL PLANNING HOLDINGS LIMITED

Annual Report and Accounts  
for the year ended 31 December 2022



# **Atomos Financial Planning Holdings Limited**

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# **Atomos Financial Planning Holdings Limited**

## **Company information**

### **Board of Directors**

J C Polin  
N J Fraser  
F Alvarez-Demalde  
A Endemano  
J A Fraser  
A Littner  
J P Taylor

### **Statutory Auditor**

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

### **Bankers**

NatWest  
135 Bishopsgate  
London  
EC2M 3UR

### **Registered office**

2nd Floor 5 Hatfields (ALTO)  
London  
SE1 9PG

### **Registered Number**

03882013

# **Atomos Financial Planning Holdings Limited**

## **Directors' Report**

The directors of Atomos Financial Planning Holdings Limited (the "Company") present their Annual Report, together with the financial statements and independent auditor's report for the year ended 31 December 2022.

### **Principal activity**

The Company's principal activity is that of a strategic holding company for its subsidiaries whose principal activities are the provision of restricted financial planning advice. The Company coordinates the activities of the subsidiaries within an approved governance framework. The directors do not expect any change in the principal activity of the Company in the foreseeable future.

The Company is incorporated in England and Wales.

### **Directors**

The Directors of the Company, who have served throughout the year and up to the date of this report are as follows:

J C Polin

N J Fraser

F Alvarez-Demalde (appointed 6 May 2022)

A Endemano (appointed 6 May 2022)

J A Fraser (appointed 6 May 2022)

A Littner (appointed 6 May 2022)

J P Taylor (appointed 1 June 2022)

D J Mason (resigned 6 May 2022)

None of the Directors have any interest in the shares of the company.

### **Indemnification of directors**

In accordance with the requirements of section 234 of the Companies Act 2006, qualifying third party indemnity provisions were in force throughout the year for the benefit of the directors of EPF V UK Wealth TopCo Jersey Limited, the Jersey parent of the Company, and its subsidiaries and associated companies (collectively referred to as the atomos Group). Such qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report.

### **Appointment of Auditor**

RSM UK Audit LLP ("RSM") is the appointed independent auditor of the Group on 29th July 2022. RSM have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### **Disclosure of information to the auditor**

Each director who held office at the date of approval of this report confirms that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

## **Atomos Financial Planning Holdings Limited**

### **Directors' Report (continued)**

#### **Remuneration**

The Group aims to operate a remuneration policy and reward structure that will attract, retain and motivate high quality staff within the parameters of the Groups ability to pay, market trends and individual performance. It recognises that an appropriate reward structure should contain both short term and long term elements to avoid a 'short-term' approach to the management of the business and ensure client satisfaction, advice quality and service standards are not compromised. The Groups remuneration policy is formulated by the executive team and is reviewed and approved by the atomos Group Remuneration Committee. There are three main elements to the remuneration structure: basic salary and related benefits (fixed remuneration), annual bonus arrangement (short-term variable remuneration) and long term incentive arrangements (long-term variable remuneration).

#### **Going concern**

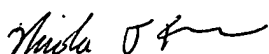
The Directors are responsible for making a formal assessment as to whether it is appropriate to adopt the going concern basis in preparing the financial statements. This assessment considers the Group's access to financial resources, sufficient for it to meet its obligations over the next 12 months. To do this, the Group must have sufficient assets, not only to meet the payments and commitments associated with its business, but also to withstand the impact of other events that might reasonably be expected to happen.

The Directors have examined the Group's business activities, along with its financial position, financial forecasts, capital structure, risk management approach and factors likely to affect its future performance. The Directors are satisfied that the Group has a viable business proposition and robust strategic plan which is expected to continue and produce adequate resources to continue in business for a period of 12 months from the date of approval of the financial statements.

The Directors have also considered a range of stress scenarios, which includes the impact of a material shock to equity markets and reduction in income along with possible management actions in response. At Group level capital forecasts have been produced to reflect the stress scenarios. Under these stress scenarios the Group's capital was projected to remain above regulatory requirements and sufficient liquidity exists to meet liabilities as they fall due.

Accordingly, the Directors consider they have given due consideration to potential risks and possible actions available and conclude that it remains appropriate to prepare the financial statements on a going concern basis.

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



N J Fraser  
Director  
24th April 2023

# **Atomos Financial Planning Holdings Limited**

## **Strategic Report**

The Directors of the Group present their Strategic Report for the year ended 31 December 2022.

### **Review of business**

The atomos Group has been through a period of change in 2022 following the change in ownership associated with the agreement reached by Sanlam UK Limited on 20 September 2021 to sell its UK wealth division (including the Company) to funds managed by Oaktree Capital Management, L.P. ("Oaktree"). The transaction obtained regulatory approval and closed on 6 May 2022. As an experienced investor in UK wealth, Oaktree is supporting the atomos Group's growth plans enabling the creation of an independent and agile wealth management business.

Following completion of the transaction, the atomos Group rebranded to atomos, a name meaning "uncuttable" or "indivisible" in ancient Greek, representing the bringing together all the benefits of face-to-face service with the access and convenience of modern digital tools with the aim to be the UK's first truly hybrid wealth manager. During 2022 the Group's focus has been on building the foundations of our future success to deliver a market-leading service and experience to our clients.

During 2022 the Group has made substantial progress on the delivery of its strategy, with multiple business acquisitions being concluded by the Company with a total AuA of £1.2m. These businesses were integrated into the Group adding 27 new advisers to the business servicing clients across the UK. With further acquisitions planned for 2023, atomos is well placed to capitalise on the growth opportunities ahead as it continues to roll out its acquisition programme with a strong pipeline of businesses being in exclusive discussions.

In November 2022 the atomos Group reached a major milestone in its digital transformation going live with atomos Invest, a client and advisor facing platform delivered in partnership with SS&C. This gives the atomos Group's clients and advisers improved digital self-service capabilities, complementing the atomos Group's high quality face-to-face relationships. The digital transformation continues in 2023 with the roll-out of the atomos Group's digital app for clients, automation of onboarding and enhanced reporting, working with InvestCloud, one of the US's leading tech firms to deliver solutions to the group's clients evolving needs.

On 12 May 2022, Ergowealth Limited ("Ergo"), became an Appointed Representative of Atomos Financial Planning Limited, a subsidiary of the Company. Subsequently, the Company acquired Ergo on 5 August 2022.

## **Atomos Financial Planning Holdings Limited**

### **Strategic Report (continued)**

On 24 June 2022, the Company acquired the remaining 45% shareholding in Avidus Scott Lang Group limited to make it a fully owned subsidiary of the Company.

The following additional entity acquisitions were made by the Company during the year:

- IDC Wealth Management Ltd (1 June 2022)
- Willowbrook Wealth Limited (31 August 2022)
- MacArthur Gordon Limited (6 September 2022)
- McCallan Financial Limited (3 October 2022)

The Company completed the following practice buyouts:

- Sims Financial Planning (1 November 2022)
- IFA Businesses (22 November 2022)

### **Financial Performance**

The Group reported a loss for the financial year which amounted to £1,378k (Profit 2021: £25,069k driven by a £26m intercompany loan waiver).

2022 was a challenging year for markets and organic growth opportunities, resulting in revenue decreasing from £16,426k to £15,691k. Continued cost discipline offset the impact of difficult markets on the Group's funds under management with operating expenses decreasing from £16,736k to £15,941k, despite the strategic investment made. The 2022 acquisitions increased revenue by £1,260k and profit by £58k.

As at 31 December 2022 the Group is reporting a net asset position of £1,330k (2021: £7,833k). This decrease is driven by several acquisitions made in the year (refer to note 9).

The Group benefited from a £3.5m loan impairment reversal in 2022 (2021: £46k impairment charge) as part of the acquisition of Ergowealth Group limited, which was immediately capitalised on completion.

The acquisitions in 2022 resulted in goodwill in the Group increasing from £1,937k to £23,466k. Acquisitions were funded by loan facilities, increasing amounts owed to group companies to £17,574k (2021: nil). A significant element of the consideration due was based on contingent consideration depending on the value of assets under administration brought into the Group over the next 3 years. This was a key estimate made by management during 2022 which resulted in contingent consideration of £10,956k (2021: nil) being recognised.

Other reserves decreased by £4,524k (2021: nil) due to an additional 45% stake in Avidus Scott Lang Group Limited being acquired.

### **Political and charitable donations**

Neither the Group nor the Company made no political or charitable donations during the year (2021: £nil).

# **Atomos Financial Planning Holdings Limited**

## **Strategic Report (continued)**

### **Section 172 statement**

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to:

- a) The likely consequences of any decision in the long term;
- b) The interests of the Company's employees;
- c) The need to foster the Company's business relationships with clients, suppliers and others;
- d) The impact of the Company's operations on the community and the environment;
- e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly between different members of the company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172.

The Board recognizes that the long-term success of the business is dependent on the way it works with a large number of important stakeholders. The Directors have had regard to the interest of stakeholders (including our clients, our people, society and our shareholders) while complying with their obligations to promote the success of the Company in line with section 172 of the Companies Act. The Board has also considered how the Company operates as a subsidiary within the wider atomos group of companies.

In managing the Company, the Directors have taken into account the requirements of section 172 (1) of the Companies Act 2006 as summarized below:

**The likely consequence of any decision in the long term** – The Board of Directors of the Company operate the Group in accordance with the Company's Articles and the overall atomos Group business plan, which considers the long term success of the Company and the Group as a whole, and the likely long term consequences of any decisions by the Group are taken into account.

**The interests of the company's employees** – The Group Remuneration Committee (RemCo) as a sub-committee of the EPF V UK Wealth TopCo Jersey Limited Board, which is the Company's parent, has responsibility for all of the Group's employees. It is also involved in establishing and maintaining an effective management team and the remuneration strategy and policy for the atomos Group. The RemCo and the Company Board recognise that remuneration and incentives play a significant role in aligning conduct with good governance principles and treating customers fairly. The atomos Group's remuneration policy takes into account the specific regulatory requirements to which the Company and its subsidiaries are subject to. The RemCo is chaired by a non-executive director appointed by the Board of EPF V UK Wealth TopCo Jersey Limited.



## **Atomos Financial Planning Holdings Limited**

### **Strategic Report (continued)**

#### **Section 172 statement (continued)**

As well as a focus on remuneration, the RemCo also has the following responsibilities regarding employee risks:

- Provide recommendations and report to the Company Board on any potential conflict of interest or questionable situation of a material nature, or any other employee risks;
- Review Code of Ethics annually;
- Monitor compliance with all employment legislation; and
- Ensure adequate management actions are in place to mitigate employee risks.

**The need to foster the Company's business relationships with clients, suppliers and other –** Supplier relationships with the Group are reviewed and monitored in line with atomos Group's outsourcing framework. Responsibility for the Outsourcing Policy and framework has been delegated to atomos Group's Executive Committee. The Company's Board, the Executive Committee and Operations Committee are responsible for implementing the Outsourcing Policy, management of the framework and monitoring such arrangements.

The atomos Group has established an Assurance Committee to ensure that conduct matters, in particular fair treatment of clients, are adequately considered by the board. The Assurance Committee reviews and monitors client-related outcomes and other related matters across the atomos Group at a strategic level with escalation to the Executive Committee and Company board as appropriate.

**The impact of the Company's operations on the community and the environment –** The Group has been exploring Environmental, Social and Governance (ESG) principles in relation to its investment and operations. The Group is responsible for influencing the financial well-being of our clients and, as such, needs to be responsible stewards of our clients' assets. The primary aim is to provide our clients with investment solutions and strategies that meet their unique needs and deliver sustainable risk-adjusted, long-term performance. The Group acknowledges that relevant and material ESG issues can meaningfully affect investment performance and the alliance with WTW incorporates sustainability at the heart of our research and investment process.

**The desirability of the company maintaining a reputation for high standards of business conduct -** Including regulated entities, the Group is subject to extensive rules on conduct of business. The Compliance department monitor adherence to these rules on an ongoing basis and this is crucial to the success of the business.

## **Atomos Financial Planning Holdings Limited**

### **Strategic Report (continued)**

#### **Section 172 statement (continued)**

**The need to act fairly as between members of the Company - All employees are required to comply with the Group's Code of Ethical Conduct. In summary, this requires employees to:**

- Uphold the highest level of integrity and ethical conduct;
- Act honestly, fairly with due skill, care and diligence in the interests of atomos' clients and the integrity of the financial services industry;
- both comply with applicable law and regulation and strive to uphold the spirit of such law and regulation; and
- Act without discrimination.

#### **Our approach to risk management**

A strong risk and compliance culture is fundamental to how the Group is managed. Effective risk-based decision-making is essential to the delivery of the right outcomes for the Group's clients and stakeholders. Ultimate accountability for risk management rests with the Group's Audit and Risk Committee (ARC), which convenes at the level of its Jersey parent company, EPF V UK Wealth TopCo Jersey Limited, and who oversee the effectiveness of the Risk Management Framework (RMF).

#### *Three lines of defence*

The Group's operates a 'three lines of defence' model in the management of risk so that there are clearly defined roles and responsibilities within the RMF:

- First line: Day-to-day risk management is the responsibility of all staff within the firm, particularly front-line managers, and includes identification and mitigation of risks and maintaining appropriate controls;
- Second line: Risk oversight is provided by the Risk and Compliance function;
- Third line: Independent verification of the adequacy and effectiveness of risk and control management systems is provided by the Group's Internal audit function, which is out-sourced to BDO LLP.

#### **Principal risks and uncertainties**

The specific risks faced by the Group are driven by what it does and how it does it, as well as the wider environment in which it operates. The Group's principal and emerging risks are subject to robust assessment by the Board and the principal risks are described below.

#### *Strategic Risk*

Those risks which threaten the achievement of the strategy through failing to meet client expectations, poor strategic decision-making, implementation or response to changing circumstances. The Chief Executive (supported by the executive leadership team) is responsible for the development and promotion of the strategy and the monitoring of its progress and success. Regular assessments of the business plan are performed to ensure appropriate resources are in place to deliver the significant business change currently being undertaken by atomos.

## **Atomos Financial Planning Holdings Limited**

### **Strategic Report (continued)**

#### **Principal risks and uncertainties (continued)**

##### *Conduct Risk*

The risk that through the Groups' behaviours, decisions and action it fails to meet client expectations, and/or deliver poor outcomes. The business relies on the Groups' ability to ensure fair client outcomes. Failure to achieve these outcomes poses significant reputational damage and likely financial losses. A Code of Conduct is applicable for all associated people, mandatory training modules embed a strong conduct culture and conduct risk is embedded within the RMF as well as being a standing agenda item at the Assurance Committee.

##### *Regulatory Risk*

The risk that the Group has insufficient financial resources or suffers loss from adverse markets or the failure/default of counterparties. The Group is exposed to the overall level of revenue margins on investment mandates and wealth services as well as inflows and outflows throughout the year and global markets. Financial discipline is required to manage the Group's cost base and align it to the revenue outlook to manage the Group's overall financial efficiency.

The Group's capital and liquidity positions are directly impacted by profitability. Capital is held against risks and reviewed on an ongoing basis. Stress testing assesses financial resilience to market risk, operational risk and business risk and management closely oversee fees and costs in relation to the Group's proposition.

##### *Operational risks - People*

The risk that resources and employment practices do not align with strategic objectives and critical employees depart atomos. The Group is a people business and the engagement of its people is critical to the implementation of its business plan, strategy and the success of the business. The Group promotes stability, engagement and diversity in the workforce and operates competitive remuneration packages.

##### *Financial Risk*

The risk that the Group has insufficient financial resources or suffers loss from adverse markets or the failure/default of counterparties. The Group is exposed to the overall level of revenue margins on advice mandates as well as inflows and outflows throughout the year and global markets. Financial discipline is required to manage the Group's cost base and align it to the revenue outlook to manage the Group's overall financial efficiency.

## **Atomos Financial Planning Holdings Limited**

### **Strategic Report (continued)**

#### **Principal risks and uncertainties (continued)**

##### *Outsourcing*

The Group's business model places increased reliance on outsourced service providers and vendors. Whilst this reduces in-house operational risk it increases the risk of an outsourcer or third party failure impacting our clients or critical business. The Group has a comprehensive and robust outsourcing framework in place which ensures that all outsourcing arrangements are classified and onboarded to a minimum standard alongside proportional ongoing relationship management. Realistic and relevant exit plans are in place to road-map exit should it be necessary. All significant relationships have designated business owners who are accountable for ensuring that the relationship meets agreed Service Level Agreements and contractual obligations.

##### *Business Process & Controls*

The Group is subject to risks resulting from breakdowns in internal procedures, people and systems which could lead to a significant error and could impact the Group through increased risk of regulatory breach with associated regulatory sanction, client and asset loss. Recent delivery of process automation and outsourced operating models is continuing to strengthen our control environment.

New and changes to existing operational risk exposures are identified as part of the on-going risk management process and whenever key business decisions are made. These are assessed and the level of risk found during the assessment process is compared with the overall risk appetite, tolerance, strategy and limits of the Group with escalation of the risk to the appropriate level of oversight with action plans implemented to mitigate the risk to an acceptable level.

##### *Economic & Political Risk*

An uncertain political and economic outlook may have a detrimental effect on the value of client portfolios and atomos' revenues. Prolonged economic downturn also has an impact on client sentiment impacting strategic risk as previously listed.

##### *Fraud & Financial Crime*

The Group engages with a wide number of external parties and has to be vigilant to the risk that these parties are connected with criminal behaviour or are subject to sanctions by national or global authorities. The Group has robust controls covering anti-money laundering, anti-bribery, fraud and other areas of financial crime and provide regular training to our people in this area.

## Atomos Financial Planning Holdings Limited

### Strategic Report (continued)

#### Principal risks and uncertainties (continued)

##### *Cyber Security*

The information security threat landscape is constantly evolving. With the continued focus on cyber security we are mindful that a failure to prevent an information security threat from materialising is ever present. The Group aims to comply with the internationally recognised security standard ISO 27001, which forms the foundation for its Information Security Management System (ISMS). This standard covers all aspects of information security and requires that the Group documents and maintains its security policies and standards, undertakes regular risk assessments, monitors the effectiveness of controls and addresses identified gaps.

In accordance with security policies and standards, the Group has anti-virus and endpoint protection software in place for all computers, as well as firewall protection on the network perimeter. The Group also ensure that all systems and software are regularly updated with the latest critical patches. Mail and web filtering and network monitoring are in place. The Group segregates more vulnerable systems from the rest of the network and limits access to the Internet wherever possible.

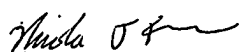
#### Future Developments

The directors do not expect any change in the principal activity of the Group in the foreseeable future. The Group is well positioned to take advantage of the opportunities facing atomos despite the challenging economic conditions.

The Group continues to grow its financial planning business in-organically and aims to increase its number of advisers in the UK on annual basis. Its mid-term strategy is to acquire and integrate 5-8 Firms annually.

The fundamental opportunity for the Group remains strong. An ageing population, a supportive policy environment that both encourages individuals to save for their retirement and gives them pension freedoms to invest as they please, plus growing wealth in our target demographic, all combine to give us a highly positive market opportunity so long as we continue to deliver strong investment performance alongside exceptional client service.

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



N J Fraser  
Director  
24 April 2023

## **Atomos Financial Planning Holdings Limited**

### **Statement of Directors' Responsibilities in respect of the Financial Statements**

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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.

## **Atomos Financial Planning Holdings Limited**

### **Independent Auditor's report to the members of Atomos Financial Planning Holdings Group Limited**

#### **Opinion**

We have audited the financial statements of Atomos Financial Planning Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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.

## **Atomos Financial Planning Holdings Limited**

### **Independent Auditor's report to the members of Atomos Financial Planning Holdings Group Limited (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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



## **Atomos Financial Planning Holdings Limited**

### **Independent Auditor's report to the members of Atomos Financial Planning Holdings Group Limited (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 12, 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 group's and the parent 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 group or the parent 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.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

## **Atomos Financial Planning Holdings Limited**

### **Independent Auditor's report to the members of Atomos Financial Planning Holdings Group Limited (continued)**

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the company's authorisation with the Financial Conduct Authority (FCA). We performed audit procedures to inquire of management whether the company is in compliance with these laws and regulations. We inspected compliance documentation, including correspondence with the Financial Conduct Authority as well as considering compliance with the conditions for authorisation, including with any restrictions or requirements placed on the firm, and other regulatory obligations.

The audit engagement team identified the risks of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, testing a sample of revenue transactions to supporting documentation, and reviewing controls in place to ensure revenue recognition is appropriate.

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

## **Atomos Financial Planning Holdings Limited**

### **Independent Auditor's report to the members of Atomos Financial Planning Holdings Group Limited (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.

*Hugh Fairclough*

**HUGH FAIRCLOUGH (Senior Statutory Auditor)**

**for and on behalf of RSM UK Corporate Finance LLP, Statutory Auditor**

*Chartered Accountants*

25 Farringdon Street

London

EC4A 4AB

Date: 26 April 2023

# Atomos Financial Planning Holdings Limited

## Consolidated Profit and Loss account and Other Comprehensive Income for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		15,961,268	16,425,697
Direct Costs		(3,615,379)	(1,032,314)
Gross profit		<u>12,345,889</u>	<u>15,393,383</u>
Operating expenses		(15,940,540)	(16,735,912)
<b>Operating loss</b>	<b>2</b>	<b><u>(3,594,651)</u></b>	<b><u>(1,342,529)</u></b>
Interest payable		(822,264)	-
Reversal of impairment loss / (impairment loss)	10	3,506,978	(46,440)
Waiver of intercompany loan	11 & 12	-	26,093,324
<b>(Loss)/profit on ordinary activities before taxation</b>		<b><u>(909,937)</u></b>	<b><u>24,704,355</u></b>
Tax on loss on ordinary activities	6	(468,270)	364,911
<b>(Loss)/profit for the financial year after taxation</b>		<b><u><u>(1,378,207)</u></u></b>	<b><u><u>25,069,266</u></u></b>
<b>(Loss)/Profit attributable to:</b>			
Owners of the parent		(1,442,721)	24,799,412
Non-controlling interests		64,514	269,854
		<u><u>(1,378,207)</u></u>	<u><u>25,069,266</u></u>

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

There is no other comprehensive income other than that passing through the profit and loss account.

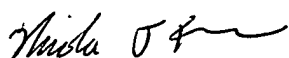
The accompanying notes on pages 24 to 48 form an integral part of these financial statements.

# Atomos Financial Planning Holdings Limited

## Consolidated Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Goodwill	7	23,466,488	1,936,637
Intangible assets	8	8,402,498	3,958,438
Fixed Assets		<u>102,173</u>	<u>12,394</u>
		<u>31,971,159</u>	<u>5,907,469</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	11	3,260,942	3,157,050
Debtors: amounts falling due after one year		-	193,855
Cash at bank		<u>2,244,301</u>	<u>2,407,257</u>
		<u>5,505,243</u>	<u>5,758,162</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	12	(5,181,438)	(3,283,139)
<b>NET CURRENT ASSETS</b>		<u>323,805</u>	<u>2,475,023</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>32,294,964</u>	<u>8,382,492</u>
Creditors: amounts falling due after more than one year	13	(19,809,096)	-
Provisions	14	(10,995,416)	(51,023)
Deferred tax liabilities	16	(160,449)	(498,247)
<b>NET ASSETS</b>		<u><u>1,330,003</u></u>	<u><u>7,833,222</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	526,843	526,843
Share premium account		7,687,484	7,687,484
Capital contribution reserve	18	1,341,021	598,164
Profit and loss account		(3,701,671)	(2,010,950)
Other Reserves		(4,523,674)	-
Non- controlling interest		-	1,031,681
<b>SHAREHOLDERS' FUNDS</b>		<u><u>1,330,003</u></u>	<u><u>7,833,222</u></u>

These financial statements were approved by the board of directors on 26 April 2023 and were signed on its behalf by:



N J Fraser  
Director  
24th April 2023

The accompanying notes on pages 24 to 48 form an integral part of these financial statements.

Registered company number:

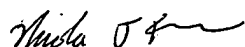
03882013

**Atomos Financial Planning Holdings Limited**  
**Company Balance Sheet as at 31 December 2022**

	Note	2022 £	2021 £
<b>NON CURRENT ASSETS</b>			
Goodwill	7	601,067	1,073,660
Intangible assets	8	4,743,286	3,644,862
Investment in subsidiaries	9	38,973,047	8,070,572
		<u>44,317,400</u>	<u>12,789,094</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	11	2,143,131	-
Cash at bank		375,684	83,918
		<u>2,518,815</u>	<u>83,918</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	12	(3,703,729)	(812,802)
		<u>(1,184,914)</u>	<u>(728,884)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>43,132,486</u>	<u>12,060,210</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	13	(18,812,093)	-
Provisions	14	(10,955,574)	-
Deferred tax liabilities	16	(322,884)	(502,095)
		<u>13,041,935</u>	<u>11,558,115</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	526,843	526,843
Share premium account		7,687,484	7,687,484
Capital contribution reserve	18	971,301	228,444
Profit and loss account		3,684,792	3,115,344
<b>SHAREHOLDERS' FUNDS</b>		<u>12,870,420</u>	<u>11,558,115</u>

The Company's profit for the year and total comprehensive income for the year was £569,448 (2022: £24,136,960).

These financial statements were approved by the board of directors on 24 April 2023 and were signed on its behalf by:



N J Fraser  
Director  
24th April 2023

The accompanying notes on pages 24 to 48 form an integral part of these financial statements.  
Registered company number:  
03882013

**Atomos Financial Planning Holdings Limited**

**Consolidated Statement of changes in equity for the year ended 31 December 2022**

	Share Capital	Share Premium	Capital contribution	Profit and loss account	Other reserves	Total Shareholder's Funds	NCI	Total Equity
	£	£	£	£	£	£	£	£
<b>Balance as at 1 January 2021</b>	<b>526,843</b>	<b>7,687,484</b>	<b>369,720</b>	<b>(26,810,362)</b>	<b>0</b>	<b>(18,226,315)</b>	<b>1,013,828</b>	<b>(17,212,487)</b>
Profit for the year after taxation	-	-	-	24,799,412	-	24,799,412	269,854	25,069,266
Dividends Paid	-	-	-	-	-	-	(252,001)	(252,001)
Capital contribution reserve	-	-	228,444	-	-	228,444	-	228,444
<b>Balance as at 31 December 2021</b>	<b>526,843</b>	<b>7,687,484</b>	<b>598,164</b>	<b>(2,010,950)</b>	<b>0</b>	<b>6,801,541</b>	<b>1,031,681</b>	<b>7,833,222</b>
Profit for the year after taxation	-	-	-	(1,442,721)	-	(1,442,721)	64,514	(1,378,207)
Dividends Paid	-	-	-	(248,000)	-	(248,000)	-	(248,000)
Acquisition of Shares	-	-	-	-	(4,523,674)	(4,523,674)	(1,096,195)	(5,619,869)
Capital contribution reserve	-	-	742,857	-	-	742,857	-	742,857
<b>Balance as at 31 December 2022</b>	<b>526,843</b>	<b>7,687,484</b>	<b>1,341,021</b>	<b>(3,701,671)</b>	<b>(4,523,674)</b>	<b>1,330,003</b>	<b>-</b>	<b>1,330,003</b>

The accompanying notes on pages 24 to 48 form an integral part of these financial statements.

# Atomos Financial Planning Holdings Limited

## Company Statement of changes in equity for the year ended 31 December 2022

	Share Capital	Share Premium	Capital contribution	Profit and loss account	Total Shareholder's Funds
	£	£	£	£	£
<b>Balance as at 1 January 2021</b>	<b>526,843</b>	<b>7,687,484</b>	<b>-</b>	<b>(21,021,616)</b>	<b>(12,807,289)</b>
Profit for the year after taxation		-	-	24,136,960	24,136,960
Capital contribution reserve	-	-	228,444	-	228,444
<b>Balance as at 31 December 2021</b>	<b>526,843</b>	<b>7,687,484</b>	<b>228,444</b>	<b>3,115,344</b>	<b>11,558,115</b>
Profit for the year after taxation	-	-	-	569,448	569,448
Capital contribution reserve	-	-	742,857	-	742,857
<b>Balance as at 31 December 2022</b>	<b>526,843</b>	<b>7,687,484</b>	<b>971,301</b>	<b>3,684,792</b>	<b>12,870,420</b>

The accompanying notes on pages 24 to 48 form an integral part of these financial statements.



# Atomos Financial Planning Holdings Limited

## Consolidated statement of cash flows for the year ended 31 December 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
(Loss)/Profit for the financial year		(1,378,207)	25,069,266
<b>Adjustments for:</b>			
Impairment	10	(3,506,978)	46,440
Depreciation & amortisation	7 & 8	3,234,637	2,357,080
Provisions (excluding contingent consideration)	14	(11,181)	(63,910)
Other revaluations		-	(156,405)
Decrease/(increase) in debtors		89,962	14,557,973
(Decrease)/increase in creditors		3,805,473	(39,394,274)
Tax paid		(221,726)	-
<b>Net cash generated from/(used in) operating activities</b>		<u>2,011,980</u>	<u>2,416,170</u>
<b>Cash flows from investing activities</b>			
Purchase of PPE		(165,917)	(4,040)
Purchase of Intangibles	8	(6,427,858)	(246,889)
Sale of PPE		7,278	-
Investment in subsidiaries		(13,647,420)	-
<b>Net cash used in investing activities</b>		<u>(20,233,917)</u>	<u>(250,929)</u>
<b>Cash flows from financing activities</b>			
Funding Loans received	13	17,573,750	-
Repayment of loans	12	(9,626)	-
Dividends paid		(248,000)	(252,001)
Capital contributions received	18	742,857	-
<b>Net cash from/(used in) financing activities</b>		<u>18,058,981</u>	<u>(252,001)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(162,956)	1,913,240
Cash and cash equivalents at the beginning of year		2,407,257	494,017
<b>Cash and cash equivalents at the end of year</b>		<u><u>2,244,301</u></u>	<u><u>2,407,257</u></u>

The accompanying notes on pages 24 to 48 form an integral part of these financial statements.

# **Atomos Financial Planning Holdings Limited**

## **Notes to the Financial Statements**

### **1. Accounting Policies**

#### **Basis of preparation**

The consolidated financial statements are prepared for Atomos Financial Planning Holdings Limited (the 'Company') and its subsidiary undertakings (the 'Group').

The Financial Statements have been prepared under the historical cost convention, in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The Directors are responsible for making a formal assessment as to whether it is appropriate to adopt the going concern basis in preparing the financial statements. This assessment considers the Groups' access to financial resources, sufficient for it to meet its obligations over the next 12 months. To do this, the Group must have sufficient assets, not only to meet the payments and commitments associated with its business, but also to withstand the impact of other events that might reasonably be expected to happen.

The Directors have examined the Group's business activities, along with its financial position, financial forecasts, capital structure, risk management approach and factors likely to affect its future performance. The Directors are satisfied that the Group and the Company has a viable business proposition and robust strategic plan which is expected to continue and produce adequate resources to continue in business for a period of 12 months from the date of approval of the financial statements.

The Directors have also considered a range of stress scenarios, which includes the impact of a material shock to equity markets and reduction in income along with possible management actions in response. At Company level capital forecasts have been produced to reflect the stress scenarios. Under these stress scenarios, Atomos Financial Planning Limited, a regulated subsidiary of the Company, capital was projected to remain above regulatory requirements and sufficient liquidity exists to meet liabilities as they fall due.

Accordingly, the Directors consider they have given due consideration to potential risks and possible actions available and conclude that it remains appropriate to prepare the financial statements on a going concern basis.

# **Atomos Financial Planning Holdings Limited**

## **Notes to the Financial Statements (continued)**

### **1. Accounting Policies (continued)**

#### **Company statement of comprehensive income**

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income as it prepares group accounts and the Company's individual statement of financial position shows the Company's profit or loss for the financial year.

#### **Functional and presentational currency**

The Group and the Company's functional currency and presentational currency is the Pound Sterling (GBP) reflecting the fact that substantially all transactions are paid in GBP and the Company's place of business is the United Kingdom.

#### **Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained.

#### **Turnover**

Turnover represents total income receivable by the Group for services provided. It is the amount derived from ordinary activities and is stated net of VAT and trade discounts.

Entitlement to turnover arises at the point in time that advice services have been provided and is all generated in the United Kingdom.

Under an agreement with Avidus Scott Lang & Co. Limited ("ASL"), Atomos Financial Planning Limited ("AFPL") acts as a principal and collects commissions on ASL's behalf. This arrangement commenced on 18 December 2020 and terminated on 1 November 2022 at which point the trade of ASL was transferred to AFPL.

Under an agreement with Ergowealth Limited ("Ergo"), the AFPL acted as a principal and collected commissions on Ergo's behalf. This arrangement commenced on 12 May 2022.

#### **Administrative expenses**

Administrative expenses principally represent amounts invoiced and incurred in respect of general overheads as well as intangible asset amortisation. Amounts expensed are based on actual costs incurred or on predetermined recharges of allocated resources.

# Atomos Financial Planning Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting Policies (continued)

#### Cash at bank and cash equivalents

Cash in the Balance Sheet comprises cash held at banks and in hand.

#### Goodwill

Goodwill represents the excess of the cost of acquisition of a business combination over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently amortised over the useful economic life in equal annual instalments. Where there is no reliable estimate of the useful economic life it is limited to 10 years. An annual impairment review is undertaken or whenever there is any indication that the goodwill may be impaired, and any resulting adjustment to the goodwill value is made as required.

#### Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Intangible assets assessed as having finite lives are amortised over their useful economic life in equal annual instalments.

When there is no reliable estimate for the life of the asset it is limited to 10 years. An annual impairment review is undertaken or whenever there is any indication that the intangible asset may be impaired, and any resulting adjustment to the intangible assets value is made as required. The amortisation expense on intangible assets is recognised within administrative expenses within the profit and loss account. Where there is a deferred or contingent element a liability is also recognised which is the best estimate of likely future consideration payable.

An annual impairment review is undertaken or whenever there is any indication that the intangible asset may be impaired, and any resulting adjustment to the intangible assets value is made as required. The amortisation expense on intangible assets is recognised within administrative expenses within the profit or loss account.

Intangible assets are amortised over the following periods:

	Useful Life
Client data bases	5 years
Software	5 years

# **Atomos Financial Planning Holdings Limited**

## **Notes to the Financial Statements (continued)**

### **1. Accounting Policies (continued)**

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **Dividends receivable**

Dividends relate to income from shares in group undertakings, recognised when the paying company is obliged to make payment.

#### **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities including loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **Taxation**

The tax expense may comprise current and deferred tax. Tax is recognised through profit or loss, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The income tax charge is based on the taxable profit/loss for the year. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

**Atomos Financial Planning Holdings Limited**  
**Notes to the Financial Statements (continued)**

**1. Accounting Policies (continued)**

**Impairment**

At each reporting date, the Group reviews the carrying amount of its applicable assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss and the carrying amount of the asset is reduced to its recoverable amount, as calculated. An impairment loss is recognised immediately through profit or loss.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in the Profit or Loss account.

For debtors if there is objective evidence that an impairment loss has been incurred, 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 original effective interest rate. The carrying amount of the asset is reduced directly.

**Critical accounting judgements**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affected the reported amount of assets and liabilities as well as the disclosure of contingent assets and liabilities at the period end date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# **Atomos Financial Planning Holdings Limited**

## **Notes to the Financial Statements (continued)**

### **1. Accounting Policies (continued)**

#### **Investments in subsidiaries**

Investments are initially measured at cost, being the purchase price including any acquisition costs and subsequently measured at cost less any accumulated impairment losses. If payment of the purchase price is deferred beyond normal credit terms, the cost is the present value of future payments. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit and loss. The assessment is inherently judgemental and thus requires significant estimate from management.

#### **Business combinations**

Acquisitions are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities assumed and the equity interests issued by the company. The consideration transferred also includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities recognised and assumed in business combination are measured initially at the fair value at the acquisition date. Any contingent consideration to be transferred, whether in cash or as a convertible loan note, is recognised at fair value at the acquisition date. The assessment is inherently judgemental and thus requires significant estimate from management.

#### **Intangible assets**

Internally generated intangible assets are categorised into either a research or development phase. Intangible assets relating to research will be expensed while intangible assets relating to the development phase will be capitalised. The assessment of which costs relate to which phase as well as defining the useful life of the intangible asset is inherently judgemental and thus requires significant estimate from management.

# Atomos Financial Planning Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting Policies (continued)

#### Estimation uncertainty

##### *Recoverable amount of goodwill and intangible assets*

Annually, the company considers whether goodwill and intangible assets are impaired. Where an indication of impairment is identified, an estimation of recoverable value of the goodwill and intangible assets is required. This requires estimation of the future revenue and cash flows and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

The recoverable amount of the goodwill and intangible assets balances is a source of significant estimation uncertainty and determining this involved the use of significant assumptions.

### 2. Operating loss

	2022	2021
Group	£	£
The loss on ordinary activities before taxation is stated after charging:		
Amortisation of goodwill (Note 7)	1,181,977	470,303
Amortisation of intangible assets (Note 8)	1,983,798	1,568,245
Impairment of Investments (Note 9)	-	51,903
Auditor's remuneration – Audit fees	93,000	14,268

### 3. Dividend received

	2022	2021
Company		
Dividend received from Willowbrook Wealth	76,500	-
Dividend received Avidus Scott Lang	183,333	-



# Atomos Financial Planning Holdings Limited

## Notes to the Financial Statements (continued)

### 4. Staff Costs

No persons were directly employed by the Company during the year. The number of persons directly employed by the Group during the year was:

Group	2022	2021
	No.	No.
Administration staff	67	64
Advising staff	48	36
	<u>115</u>	<u>100</u>

The aggregate payroll costs including costs recharged from other companies within the atomos UK group were:

	2022	2021
	£	£
Wages and salaries	6,455,279	4,701,346
Social security costs	536,100	366,457
Pension costs	360,085	200,628
	<u>7,351,464</u>	<u>5,268,431</u>

### 5. Directors' emoluments

The directors emoluments are based upon an agreed apportionment of directors costs across the businesses in which they perform their services as a director.

Group and Company	2022	2021
Directors' emoluments include the following:	£	£
- Directors' remuneration	221,725	44,423
- Bonuses	-	1,600
- Pension contributions	6,737	2,318
- Other benefits	465	118
Directors' emoluments	<u>228,926</u>	<u>48,458</u>
Directors' long term incentives	-	15,893

**Atomos Financial Planning Holdings Limited**  
**Notes to the Financial Statements (continued)**

**5. Directors' emoluments (continued)**

The directors of the Company are also directors of other group companies. Directors of the subsidiary companies who are not directors of Atomos Financial Planning Holdings Limited have not been included in the disclosure above. The directors received total remuneration for the year of £228,926 (2021: £48,458), all of which was paid by other group companies. The directors believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of fellow associate companies. Directors' remuneration includes salary and performance bonuses. The remuneration for the highest paid director was £111,160 (2021: £68,667). In the current financial year, there was no long term incentive scheme.

**6. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Analysis of (credit) / charge in period</b>		
Deferred tax:		
Origination and reversal of timing differences	(139,749)	(221,068)
Impact of change in tax rate	29,193	89,687
Adjustment in respect of prior periods	(2,388)	-
Total deferred tax	<u>(112,944)</u>	<u>(131,381)</u>
Tax on loss on ordinary activities	<u>(112,944)</u>	<u>(131,381)</u>

**Deferred tax**

The provision for deferred tax consists of the following deferred tax liabilities

<b>Group</b>	<b>2022</b>	
	<b>£</b>	
Provision at start of period	(273,393)	
Intangible asset timing differences	-	
Charge in the P&L	112,944	
Total deferred tax	<u>(160,449)</u>	
<b>Company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Provision at start of period	(502,095)	
Intangible asset timing differences	-	(502,095)
Charge in the P&L	179,211	
Total deferred tax	<u>(322,884)</u>	<u>(502,095)</u>

**Tax rate changes**

On 3 March 2021, the Chancellor announced that the main rate of UK corporation tax would rise to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021 and therefore deferred tax balances are reflective of this rate to the extent that they will realise post April 2023.

**Atomos Financial Planning Holdings Limited**  
**Notes to the Financial Statements (continued)**

**6. Taxation (continued)**

**Reconciliation of tax (credit) / charge**

The difference between the tax assessed for the period and the standard rate corporation tax are explained as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit/ (loss) on ordinary activities before tax	<u>(909,937)</u>	<u>24,704,355</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax 19% (2019: 19%)	(172,888)	4,693,827
Effects of:		
Fixed asset differences	227,766	-
Expenses not deductible for tax purposes	343,455	283,907
Adjustment to losses	10,127	-
Group Income	3	-
Group relief surrendered	217,766	-
Adjustments in respect of prior periods (deferred tax)	(2,388)	(59,961)
Trade transfer of plant and machinery		(4,938)
Movement in deferred tax not recognised	(184,764)	(204,527)
Income not subject to tax	-	(4,957,732)
Remeasurement of deferred tax for charge in tax rate	29,193	(115,487)
Total tax (credit)/charge for period	<u><u>468,270</u></u>	<u><u>(364,911)</u></u>

**7. Goodwill**

	<b>2022</b>	<b>2021</b>
<b>Group</b>	<b>£</b>	<b>£</b>
At 1 January	1,936,637	4,516,756
Additions (refer to note 9)	22,711,828	-
Amortisation	<u>(1,181,977)</u>	<u>(2,580,119)</u>
At 31 December	<u><u>23,466,488</u></u>	<u><u>1,936,637</u></u>
<b>Company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 January	1,073,660	1,543,963
Amortisation	<u>(472,593)</u>	<u>(470,303)</u>
At 31 December	<u><u>601,067</u></u>	<u><u>1,073,660</u></u>

**Atomos Financial Planning Holdings Limited**  
**Notes to the Financial Statements (continued)**

**8. Intangible assets**

<b>Group</b>	<b>Client Databases</b>	<b>Software</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	8,841,196	125,936	8,967,132
Additions (refer to note 8)	4,281,911	2,145,947	6,427,858
At 31 December 2022	<u>13,123,107</u>	<u>2,271,883</u>	<u>15,394,990</u>
<b>Amortisation</b>			
At 1 January 2022	5,008,694		5,008,694
Provided during the year	1,983,798	-	1,983,798
At 31 December 2022	<u>6,992,492</u>	<u>-</u>	<u>6,992,492</u>
<b>Net Book Value</b>			
At 31 December 2022	<u>6,130,615</u>	<u>2,271,883</u>	<u>8,402,498</u>
At 31 December 2021	<u>3,832,502</u>	<u>125,936</u>	<u>3,958,438</u>

<b>Company</b>	<b>Client Databases</b>	<b>Software</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	7,951,744	125,936	8,077,680
Additions (refer to note 8)	712,379	2,145,947	2,858,326
At 31 December 2022	<u>8,664,123</u>	<u>2,271,883</u>	<u>10,936,006</u>
<b>Amortisation</b>			
At 1 January 2022	4,432,818	-	4,432,818
Provided during the year	1,759,902	-	1,759,902
At 31 December 2022	<u>6,192,720</u>	<u>-</u>	<u>6,192,720</u>
<b>Net Book Value</b>			
At 31 December 2022	<u>2,471,403</u>	<u>2,271,883</u>	<u>4,743,286</u>
At 31 December 2021	<u>3,518,926</u>	<u>125,936</u>	<u>3,644,862</u>

Software relates to the development of the atomos Group's digital app for clients. The app is expected to go live in Q2 2023, as such, amortisation was not charged in the year.

Client database additions relate to acquisitions made during 2022 referred to in note 9.

**Atomos Financial Planning Holdings Limited**  
**Notes to the Financial Statements (continued)**

**9. Investments**

**Company**

<b>Cost</b>	<b>£</b>
At 1 January 2022	9,219,219
Additions	30,159,618
Revaluations	742,857
At 31 December 2022	<u>40,121,694</u>
<b>Impairment</b>	
At 1 January 2022	1,148,647
Provided during the year	-
At 31 December 2022	<u>1,148,647</u>
<b>Net Book Value</b>	
<b>At 31 December 2022</b>	<u><u>38,973,047</u></u>
<b>At 31 December 2021</b>	<u><u>8,070,572</u></u>

In August 2019, the Company purchased 55% of the share capital of Avidus Scott Lang Group Limited, a financial planning company based in Sale. Consideration for the acquisition was £2.1m and comprised of £1.2m of cash due on completion and deferred consideration of £0.9m which has been settled in full as at 30 June 2021.

On 24 June 2022, the Company acquired the remaining 45% shareholding in Avidus Scott Lang Group limited to make it a fully owned subsidiary of the Company. Consideration for the additional shareholding was £5.6m and comprised of £5m of cash due on completion and deferred consideration of £0.6m.

Details of other acquisitions during 2022 are disclosed on pages 36 - 42.

The revaluation of £743k relates to a capital contribution received and passed down to Atomos Financial Planning Limited.

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the underlying value of the business.

9. Investments (continued)

Atomos Financial Planning Holdings Limited, has acquired the following entity in the year: IDC Wealth Management Ltd

<b>Description</b>	Trading Company, registered in United Kingdom
<b>Acquisition date</b>	1 June 2022
<b>Voting shares acquired</b>	100%

The costs of the business combination, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Cash (including relevant adjustments)	1,156,500
Loans forgiven	43,500
Deferred Consideration	15,498
Contingent consideration (refer to note 14)	943,952
Other costs (directly attributable to business combination)	43,644
<b>Total purchase consideration transferred</b>	<b><u>2,203,094</u></b>

The recognised amounts for acquired assets, liabilities and contingent liabilities including goodwill, upon acquisition, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Current assets - Working Capital	11,585
Net cash and cash equivalents	8,034
Goodwill (refer to note 7)	2,183,475
<b>Total</b>	<b><u>2,203,094</u></b>

The Group amortises goodwill with a limited useful life, using the straight-line method over a period of 10 years.

The acquisition of IDC Wealth Management Ltd contributed revenue of nil and net loss of (£7,801) for the period from the acquisition on 1 June 2022.

9. Investments (continued)

Atomos Financial Planning Holdings Limited, has acquired the following entity in the year: Ergowealth Group Limited

<b>Description</b>	Trading company, registered in United Kingdom
<b>Acquisition date</b>	5 August 2022
<b>Voting shares acquired</b>	100%

The costs of the business combination, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Cash (including relevant adjustments)	707,152
Loans forgiven	3,463,478
Contingent consideration (refer to note 14)	3,127,690
Other costs (directly attributable to business combination)	86,744
<b>Total purchase consideration transferred</b>	<b><u>7,385,064</u></b>

The recognised amounts for acquired assets, liabilities and contingent liabilities including goodwill, upon acquisition, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Current assets - Working Capital	3,162,674
Fixed Assets	7,956
Goodwill (refer to note 7)	4,214,434
<b>Total</b>	<b><u>7,385,064</u></b>

The Group amortises goodwill with a limited useful life, using the straight-line method over a period of 10 years.

On 10 August 2022, Ergowealth Limited, a subsidiary of Ergowealth Group Limited acquired SKD Group Limited (Registration number 09260297) and DS Wealth Limited (Registration number 09660061). These acquisitions resulted in an additional £1,599,947 of goodwill being recognised on the balance sheet.

The acquisition of Ergowealth Group Limited contributed revenue of £1,231,971 and net profit of £37,000 for the period from the acquisition on 5 August 2022.

9. Investments (continued)

Atomos Financial Planning Holdings Limited, has acquired the following entity in the year: Willowbrook Wealth Limited

<b>Description</b>	Trading Company, registered in United Kingdom
<b>Acquisition date</b>	31 August 2022
<b>Voting shares acquired</b>	100%

The costs of the business combination, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Cash (including relevant adjustments)	2,069,976
Other costs (directly attributable to business combination)	29,318
<b>Total purchase consideration transferred</b>	<b><u>2,099,294</u></b>

The recognised amounts for acquired assets, liabilities and contingent liabilities including goodwill, upon acquisition, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Current assets - Working Capital	24,247
Net cash and cash equivalents	53,805
Goodwill (refer to note 7)	<u>2,021,242</u>
<b>Total</b>	<b><u>2,099,294</u></b>

The Group amortises goodwill with a limited useful life, using the straight-line method over a period of 10 years.

The acquisition of Willowbrook Wealth Limited contributed revenue of nil and net profit/(loss) of nil for the period from the acquisition on 31 August 2022.



9. Investments (continued)

Atomos Financial Planning Holdings Limited, has acquired the following entity in the year: MacArthur Gordon Limited

<b>Description</b>	Trading company, registered in United Kingdom
<b>Acquisition date</b>	6 September 2022
<b>Voting shares acquired</b>	100%

The costs of the business combination, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Cash (including relevant adjustments)	784,827
Contingent consideration (refer to note 14)	459,226
Other costs (directly attributable to business combination)	39,425
<b>Total purchase consideration transferred</b>	<b><u>1,283,478</u></b>

The recognised amounts for acquired assets, liabilities and contingent liabilities including goodwill, upon acquisition, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Current assets - Working Capital	24,457
Net cash and cash equivalents	135,012
Goodwill (refer to note 7)	1,124,009
<b>Total</b>	<b><u>1,283,478</u></b>

The Group amortises goodwill with a limited useful life, using the straight-line method over a period of 10 years.

The acquisition of MacArthur Gordon Limited contributed revenue of £28,512 and net profit of £28,363 for the period from the acquisition on 6 September 2022.

9. Investments (continued)

Atomos Financial Planning Holdings Limited, has acquired the following entity in the year: McCallan Financial Limited

<b>Description</b>	Trading company, registered in United Kingdom
<b>Acquisition date</b>	3 October 2022
<b>Voting shares acquired</b>	100%

The costs of the business combination, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Cash (including relevant adjustments)	438,000
Deferred consideration	45,008
Other costs (directly attributable to business combination)	25,938
<b>Total purchase consideration transferred</b>	<b><u>508,946</u></b>

The recognised amounts for acquired assets, liabilities and contingent liabilities including goodwill, upon acquisition, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Current assets - Working Capital	100
Goodwill (refer to note 7)	<u>508,846</u>
<b>Total</b>	<b><u>508,946</u></b>

The Group amortises goodwill with a limited useful life, using the straight-line method over a period of 10 years.

The acquisition of James McCallan contributed revenue of nil and net profit/(loss) of nil for the period from the acquisition on 3 October 2022.

9. Investments (continued)

Atomos Financial Planning Holdings Limited, has acquired the following business in the year: Sims Financial Planning

<b>Description</b>	Practice buy out
<b>Acquisition date</b>	1 November 2022
<b>Voting shares acquired</b>	100%

The costs of the business combination, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Cash (including relevant adjustments)	1,500,000
Contingent consideration (refer to note 14)	378,230
Other costs (directly attributable to business combination)	29,693
<b>Total purchase consideration transferred</b>	<b><u>1,907,923</u></b>

The recognised amounts for acquired assets, liabilities and contingent liabilities including goodwill, upon acquisition, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Goodwill (refer to note 7)	<u>1,907,923</u>
<b>Total</b>	<b><u>1,907,923</u></b>

The Group amortises goodwill with a limited useful life, using the straight-line method over a period of 10 years.

The acquisition of Sims Financial Planning contributed revenue of nil and net profit/(loss) of nil for the period from the acquisition on 1 November 2022.

9. Investments (continued)

Atomos Financial Planning Holdings Limited, has acquired the following business in the year: IFA Business  
IFA Business includes the following entities:

- Intelligent Financial Advice Limited
- Intelligent Finance Solutions Limited
- Intelligent Investment Management Limited
- Intelligent Wealth Solutions Limited

<b>Description</b>	Practice buy out
<b>Acquisition date</b>	22 November 2022
<b>Voting shares acquired</b>	100%

The costs of the business combination, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Cash (including relevant adjustments)	3,000,000
Contingent consideration (refer to note 14)	6,046,476
Other costs (directly attributable to business combination)	105,474
<b>Total purchase consideration transferred</b>	<b><u>9,151,950</u></b>

The recognised amounts for acquired assets, liabilities and contingent liabilities including goodwill, upon acquisition, are broken down as follows:

	<b>2022</b>
	<b>£</b>
Goodwill (refer to note 7)	9,151,950
<b>Total</b>	<b><u>9,151,950</u></b>

The Group amortises goodwill with a limited useful life, using the straight-line method over a period of 10 years.

The acquisition of IFA Ltd contributed revenue of nil and net profit/(loss) of nil for the period from the acquisition on 22 November 2022.

**Atomos Financial Planning Holdings Limited**

**Notes to the Financial Statements (continued)**

**9. Investments (continued)**

The subsidiaries undertakings of the Company are listed below:

<b>Subsidiary undertakings</b>	<b>Principal Activity</b>	<b>Country of incorporation</b>	<b>Class of shares held</b>	<b>Percentage of shares held</b>
Atomos Financial Planning Limited	Financial Planning	England & Wales	Ordinary	100%
Avidus Scott Lang & Co. Limited	Financial Planning	England & Wales	Ordinary	100%
Avidus Scott Lang Group Limited	Financial Planning	England & Wales	Ordinary	100%
Ergowealth Group Limited	Holding Company	England & Wales	Ordinary	100%
Ergowealth Limited	Financial Planning	England & Wales	Ordinary	100%
Ergowealth Services Limited	Consultancy Services	England & Wales	Ordinary	100%
SKD (Group) Limited	Holding Company	England & Wales	Ordinary	100%
SKD Financial Services Limited	Financial Planning	England & Wales	Ordinary	100%
DS Wealth Limited	Financial Planning	England & Wales	Ordinary	100%
Willowbrook Wealth Limited	Financial Planning	England & Wales	Ordinary	100%
McCallan Financial Limited	Financial Planning	England & Wales	Ordinary	100%
Macarthur Gordon Limited	Financial Planning	England & Wales	Ordinary	100%
IDC Wealth Management Limited	Financial Planning	England & Wales	Ordinary	100%

## Atomos Financial Planning Holdings Limited

### Notes to the Financial Statements (continued)

#### 9. Investments (continued)

The subsidiaries listed above are direct investments, except for:

- Avidus Scott Lang & Co. Limited
- Ergowealth Limited
- Ergowealth Services Limited
- SKD (Group) Limited
- SKD Financial Services Limited
- DS Wealth Limited

Atomos Financial Planning Limited, Willowbrook Wealth Limited, McCallan Financial Limited, Macarthur Gordon Limited and IDC Wealth Management Limited are registered at Monument Place, 24 Monument Street, London, England, EC3R.

Avidus Scott Lang Group Limited and Avidus Scott Lang & Co. Limited are registered at Stafford Court, 145 Washway Road, Sale, Cheshire, M33 7PE.

Ergowealth Group Limited, Ergowealth Limited, Ergowealth Services Limited, SKD (Group) Limited, SKD Financial Services Limited and DS Wealth Limited are registered at Derwent House, Dedmere Road, Marlow, England, SL7 1PG.

#### 10. Reversal of impairment loss / (impairment loss)

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Reversal of impairment loss / (impairment loss)	3,506,978	(46,440)

As part of the 2022 acquisition of Ergowealth Group Limited, consideration for 3.4m shares was settled via the forgiveness of a loan for the same amount. The loan had been previously written off as the fair value was considered negligible. In order to recognise this amount as part of the acquisition, the historic impairment was reversed.

# Atomos Financial Planning Holdings Limited

## Notes to the Financial Statements (continued)

11. Debtors: amounts falling due within one year	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	130,681	1,878,300	-	-
Prepayments and accrued income	2,055,562	261,695	-	-
Other debtors	1,002,793	118,943	123,617	-
Amounts owed by group companies	71,906	867,112	1,836,181	-
Deferred tax asset	-	31,000	-	-
	<b>3,260,942</b>	<b>3,157,050</b>	<b>1,959,798</b>	

Amounts owed by subsidiaries and amounts owed by parent are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Creditors: amounts falling due within one year	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	907,354	1,371,613	-	-
Corporation Tax	564,122	138,888	-	-
Other taxes and social security costs	162,888	281,706	-	-
Accruals	879,728	682,475	75,598	99,480
Deferred consideration	-	-	-	522,598
Amounts owed to group companies	1,265,485	454,863	3,627,689	190,724
Other creditors	1,401,861	343,968	442	-
Bank loans	-	9,626	-	-
	<b>5,181,438</b>	<b>3,283,139</b>	<b>3,703,729</b>	<b>812,802</b>

2021 Deferred considerations include several deferred consideration payments in relation to Astute Wealth Management Limited, Blackett Walker Limited and Avidus Scott Lang Group Limited. The amount included comprises the present value of the discounted cash flows of these deferred payments over a certain number of years.

13. Creditors: amounts falling due after one year	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts owed to group companies	17,573,750	-	17,573,750	-
Deferred consideration	1,889,985	-	892,983	-
Other creditors	345,361	-	345,360	-
	<b>19,809,096</b>	<b>-</b>	<b>18,812,093</b>	<b>-</b>

**Atomos Financial Planning Holdings Limited**  
**Notes to the Financial Statements (continued)**

**14. Provisions**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contingent consideration (refer t note 9)	10,955,574	-	10,955,574	-
Other provisions	39,842	51,023	-	-
	<b>10,995,416</b>	<b>51,023</b>	<b>10,955,574</b>	<b>-</b>

Contingent consideration is based on expected future levels of assets under administration in the acquired businesses and that payments fall between 6 months and 3 years from the balance sheet date. The assessment of the expected assets under administration is inherently judgemental and thus requires significant estimate from management.

**15. Analysis of changes in net debt**

	<b>Note</b>	<b>At 1 January 2022</b>	<b>Cash flows</b>	<b>At 31 December 2022</b>
<b>Group</b>		<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash at bank</b>				
Cash		2,407,257	(162,956)	2,244,301
<b>Borrowings</b>				
Amounts owed to group companies	12	454,863	810,622	1,265,485
Bank Loans	12	9,626	(9,626)	-
<b>Debt due within one year</b>		<b>464,489</b>	<b>800,996</b>	<b>1,265,485</b>
Amounts owed to group companies	13	-	17,573,750	17,573,750
<b>Debt due after one year</b>		<b>-</b>	<b>17,573,750</b>	<b>17,573,750</b>
<b>Total net cash / (debt)</b>		<b>1,942,768</b>	<b>(18,537,702)</b>	<b>(16,594,934)</b>



**Atomos Financial Planning Holdings Limited**  
**Notes to the Financial Statements (continued)**

**16. Deferred tax liabilities**

<b>Group</b>	<b>2022</b>	
	<b>£</b>	
At 1 January - deferred tax assets	(224,854)	
At 1 January - deferred tax liabilities	498,427	
At 1 January	273,393	
Credit to profit and loss account	(112,944)	
At 31 December	<u>160,449</u>	
<b>Company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 January	502,095	633,476
Credit to profit and loss account	(179,211)	(131,381)
At 31 December	<u>322,884</u>	<u>502,095</u>

**17. Called up share capital**

<b>Group and Company</b>	<b>2022</b>	<b>2021</b>		
	<b>£</b>	<b>£</b>		
Authorised:				
Ordinary shares at £1 each	1,000,000	1,000,000		
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>	<b>£</b>	<b>£</b>
Allotted, issued and fully paid:				
Ordinary shares at £1 each	526,843	526,843	526,843	526,843

**18. Capital contribution**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of the financial year	598,164	369,720	228,444	-
Additions	742,857	228,444	742,857	228,444
At end of the financial year	<u>1,341,021</u>	<u>598,164</u>	<u>971,301</u>	<u>228,444</u>

The capital contribution relates to the retention bonus that will be paid as a means to incentivise key staff to continue employment through the completion of the sale and a short period thereafter, until such time as a suitable long term incentive scheme can be implemented. Atomos Financial Planning Limited, the subsidiary, is receiving the employment services, but it is not liable for settling the bonus. The bonus will be settled as part of the consideration payment from Oaktree Capital Management. The Company is neither receiving the employment services nor is liable to settle the Retention Bonus and is simply acting as a conduit.

## **Atomos Financial Planning Holdings Limited**

### **Notes to the Financial Statements (continued)**

#### **19. Related parties**

The Group is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the EPF V UK Wealth Topco Jersey Limited Group.

#### **20. Parent Company**

The Company's immediate parent company is EPF V UK Wealth BidCo Jersey Limited which is incorporated and registered in Jersey. EPF V UK Wealth BidCo Jersey Limited acquired control of the Company on 6 May 22 (refer to note 21). The Company's ultimate parent company is OCM Luxembourg EPF V S.à r.l. (address: 26A Boulevard Royal, 2449, Luxembourg).

#### **21. Post balance sheet events**

Application to strike McCallan Financial Limited off the register was made on 14 February 2023. Application to strike IDC Wealth Management Limited off the register was made on 12 April 2023.

On 1 March 2023 all remaining client, supply and employee contracts from Ergowealth Group Limited and its subsidiary companies were novated to Atomos Financial Planning Limited.

#### **22. Sale & purchase of company**

On 20 September 2021 Sanlam UK Limited entered into an option agreement to sell its UK wealth division (including the Company) to funds managed by Oaktree Capital Management, L.P. ("Oaktree"), for a total consideration of £140 million. The transaction obtained regulatory approval and closed on 6 May 2022. As an experienced investor in UK wealth, Oaktree will support the Company's growth plans enabling the creation of an independent and agile wealth management business. Following the transaction, the business continued to operate under the Sanlam Wealth brand through a transition period until the business rebranded under Atomos.