

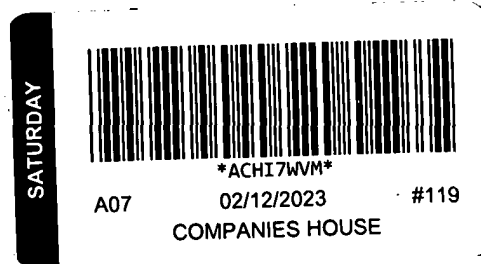


Company No: 04027724

STONEHAGE FLEMING ADVISORY LIMITED

Annual Report and Financial Statements

FOR THE YEAR ENDED
31 March 2023



STONEHAGE FLEMING ADVISORY LIMITED
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DIRECTORS

S H Boadle
A D E Gardner
R A Hill
C J Merry

COMPANY SECRETARY

K D Stuttford

REGISTERED OFFICE

6 St James' Square
London
SW1Y 4JU

INDEPENDENT AUDITORS

PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
37 Esplanade
St Helier
Jersey
JE1 4XA

REGISTERED NUMBER

04027724



STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their strategic report of Stonehage Fleming Advisory Limited (the "Company") for the year ended 31 March 2023.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Earnings from advisory services are by their nature volatile and depend on the consummation of deals, many of which remain in the pipeline for some time.

The Company's immediate parent undertaking and controlling party is Stonehage Fleming (UK) Limited. The Directors' Report and the financial statements of Stonehage Fleming (UK) Limited include review of the Group's principal business risks and uncertainties and business development, performance and key performance indicators, including this Company. Results and dividends of the Company at the end of year are provided in the Directors' report on pages 5 to 6.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of business risks. The Company's risk management policies seek to minimise potential adverse effects on financial performance.

Currency risk

Substantially all of the Company's revenue, expenses, assets and liabilities are denominated in Pound Sterling. The Company ensures that the exposure to net assets held in foreign currency is monitored and managed. Any excess foreign currency balances would be exchanged for Pound Sterling with entities in the Group.

Market risk

For some mandates, the Company receives non-cash remuneration in the form of investments, typically shares and other equity related securities. Such income is affected by the impact of movements in the value of the relevant securities. It is not currently the policy of the Company to seek to reduce the exposure of the Company through hedging mechanisms.

Interest rate risk

The Company's cash balances are exposed to interest rate risk arising from changes in interest rates. Management do not currently operate any hedging policies in respect of this risk. In management's opinion there are no other interest bearing assets or liabilities.

Credit risk

The Company is exposed to credit risk being the risk that receivables and cash are not collected. It is the Company's policy to hold cash with a small number of high quality institutions. Receivables are discussed and monitored with client relationship managers on a regular basis. Management believe that the Company's procedures adequately mitigate this risk.

Market risk from Russia/Ukraine War

It should be noted that the impact of the war in Ukraine increases the risk that clients could become subject to sanctions. The situation could also lead to wider economic consequences and amplify other macro-economic challenges such as rising levels of inflation and the possibility of a recession. The Company has a very limited exposure to Russian clients therefore the risk of a significant loss of revenue is considered low.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

SECTION 172 STATEMENT

In accordance with the revised 2018 UK Corporate Governance Code and the Companies (Miscellaneous Reporting) Regulations 2018 (both of which are effective for accounting periods beginning on or after 1st January 2019), the Board has considered the interests of key stakeholders when carrying out their duty to promote the success of the Company under Section 172 of the Companies Act 2006. When making decisions, the Directors act in good faith by taking into consideration:

The likely consequences of any decision in the long term

The Company focuses on a 'client-centric' approach to decision making, which puts in the long term interests of the client first. In addition to this, the Stonehage Fleming Family & Partners Group sets out a five year plan, and promotes a long-term approach to decision making.

The interests of the company's employees

Although there are no direct employees of the Company, the Company has recharged staff costs for the work that is carried out which makes up the majority of the Company's expenses. Therefore staffing requirements, salaries and working conditions are carefully considered periodically. There are also plenty of opportunities throughout the year for employees to engage with the Company via a number of forums which ensures that the Company can align with employee interests.

The need to foster the company's business relationships with suppliers, customers and others

In addition to the 'client-centric' approach towards decision making, the Board also recognises the importance of building long term relationships with a variety of external stakeholders. Building a good relationship with clients can help with introducing new business to other Stonehage Fleming entities, and build loyalty and longevity to the Stonehage Fleming brand. With reference to suppliers, the Board recognises that whilst there may be cheaper alternatives for particular services provided to the Company, long-term partnerships with reliable and higher quality suppliers will ultimately lead to a greater client experience and successes for the Company.

The impact of the company's operations on the community and environment

The wider Stonehage Fleming Family & Partners Group have set up an ESG (Environmental, Social and Governance) committee which aim to assess and mitigate where necessary, any detrimental impacts that the Group's activities have on the environment or in society. Projects include plans to reduce business travel and printing requirements, along with tree planting in an attempt to reduce the Carbon footprint. This is in addition to the philanthropic activities of the Group that donate to a wide variety of charities.



STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

SECTION 172 STATEMENT (CONTINUED)

The desirability of the company maintaining a reputation for high standards of business conduct

The board recognises the importance of maintaining a good reputation amongst all stakeholders, which is particularly paramount for the professional services industry. There are numerous systems, processes and controls in place which are regularly reviewed, help ensure a high level of service quality, and promote ethical decision making.

The need to act fairly between members of the company

The Company is controlled by a single entity and therefore there is only one member to consider. However, in the event in the future where there is more than one member, the Board would act in good faith to all members irrespective of size or shareholding.

Approved by the Board of Directors on 28 July 2023 and signed on its behalf by:

ADE Gardner
Director
28 July 2023

Stonehage Fleming Advisory Limited
Registered Number 04027724



DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2023. The Company's risk management policies are disclosed in the Strategic Report on pages 2 to 4.

INCORPORATION

The Company was incorporated in England and Wales on 5 July 2000 as a private company limited by shares and is domiciled in the United Kingdom.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was the provision of specialist corporate finance advisory services. The Company intends to continue to operate with this principal activity during the next financial year. The Company is regulated by the Financial Conduct Authority ("FCA").

Please refer to page 2 within the strategic report for future development and financial risk management.

ICARA

The new prudential regime for investment firms introduces the Internal Capital Adequacy and Risk Assessment ("ICARA") process. The Company is required to assess and maintain internal capital and liquid assets sufficient to cover the nature and level of risks that the Company is exposed to. The Company meets its obligation to maintain documentation which sets out the appropriate processes to ensure that the Company is able to meet the internal capital and liquid assets requirements.

RESULTS AND DIVIDENDS

In the year under review, the Company recorded an operating profit of £97,000 (2022: £514,000) on revenue of £1,139,000 (2022: £1,873,000). At 31 March 2023, the Company had net assets of £1,510,000 (2022: £960,000). Profit after taxation was £550,000 (2022: profit of £440,000). The return on assets, being the profit/loss after tax divided by the net assets, was 36% (2022: 46%).

A dividend of £nil was declared and paid during the year (2022: £1,350,000).

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 1.

EMPLOYEES

The Company has no direct employees (2022: none) but is charged by Stonehage Fleming Services Limited for the cost of staff carrying out work on its behalf.

GOING CONCERN

The Directors have made enquiries and having considered the current economic climate at the time of approving the financial statements, as well as the expected working capital requirements that the Company will have for the coming year, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the near future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.



DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

INDEPENDENT AUDITORS

Our independent auditors, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Taking that into consideration the directors have prepared the financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Furthermore, with regards to the 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors confirm that they have complied with all of the above requirements.



DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors on 28 July 2023 and signed on its behalf by:

ADE Gardner
Director
28 July 2023

Stonehage Fleming Advisory Limited
Registered Number 04027724

Independent auditors' report to the members of Stonehage Fleming Advisory Limited

Report on the audit of the financial statements

Opinion

In our opinion, Stonehage Fleming Advisory Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 March 2023; the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the authorisation and regulation by the Financial Conduct Authority. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- enquiring with management and those charged with governance as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of the board of directors for matters relevant to the audit;
- inspecting legal fee expenditure for any indication of undisclosed litigation or non-compliance with laws and regulations;
- identification and testing of journal entries considered to be higher risk, including unusual journal entries posted, and evaluation of the business rationale of any significant or unusual transactions identified outside the normal course of business; and
- performing audit procedures to incorporate an element of unpredictability in relation to the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

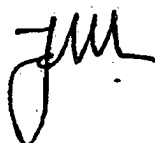
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



James de Veulle (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey
28 July 2023



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Revenue	2	1,139	1,873
Administrative expenses	3	(1,042)	(1,359)
Operating profit		97	514
Profit/(loss) on the fair value of investments		450	(71)
Credit impairment reversal/(loss) on financial assets	10	3	(3)
Profit on ordinary activities before taxation		550	440
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		550	440
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to equity		550	440

The above results are all attributable to continuing operations.

The notes to the financial statements on pages 15 to 27 form an integral part of these financial statements.



STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Investments held at fair value	7	662	-
Current assets			
Investments held at fair value	7	-	212
Trade and other receivables	8	1,028	658
Cash and cash equivalents		290	173
		1,980	1,043
Total assets		1,980	1,043
Current liabilities			
Trade and other payables	9	(470)	(83)
Net assets		1,510	960
Called up share capital	11	500	500
Retained earnings		1,010	460
Total equity		1,510	960

The notes to the financial statements on pages 15 to 27 form an integral part of these financial statements.

The financial statements on pages 11 to 27 were approved by the Board of Directors on 28 July 2023 and were signed on its behalf by:

ADE Gardner
Director
28 July 2023

Stonehage Fleming Advisory Limited
Registered Number 04027724



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		Called up share capital (Note 11) £'000	Retained earnings/ Accumulated losses £'000	Total equity £'000
Total equity at 31 March 2021		5,150	(3,280)	1,870
Capital reduction	11	(4,650)	4,650	-
Total comprehensive profit for the year ended March 2022		-	440	440
Dividends		-	(1,350)	(1,350)
Total equity at 31 March 2022		500	460	960
Total comprehensive profit for the year ended March 2023		-	550	550
Dividends		-	-	-
Total equity at 31 March 2023		500	1,010	1,510

The notes to the financial statements on pages 15 to 27 form an integral part of these financial statements.



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	2023 £'000	2022 £'000
Operating activities		
Profit on ordinary activities before taxation	550	440
Adjustments for:		
(Profit)/loss on the fair value of investments	(450)	71
Changes in working capital		
Increase in trade and other receivables	(370)	(452)
Increase/(Decrease) in trade and other payables	387	(12)
Net cash generated from operating activities	117	47
Cash flow from financing activities		
Dividends paid	-	(1,350)
Net cash flow (used in)/from financing activities	-	(1,350)
Net increase/(decrease) in cash and cash equivalents	117	(1,303)
Cash and cash equivalents at 1 April	173	1,476
Cash and cash equivalents at 31 March	290	173

The notes to the financial statements on pages 15 to 27 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

I. Principal accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

Compliance with IFRS

The financial Statements of Stonehage Fleming Advisory Limited (the "Company") have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared for the year ended 31 March 2023 with prior year comparatives.

The functional and presentation currency of the Company is Pound Sterling (£). Figures have been rounded to the nearest thousand unless otherwise stated. All accounting policies have been applied consistently, other than where new policies have been adopted.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following items:

- certain financial assets and liabilities (including derivative instruments) measured at fair value

New standards, amendments and interpretations effective after 31 March 2023

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

b) Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Annual Report and Financial Statements of the Company.

The Directors have made enquiries and having considered the current economic climate at the time of approving the financial statements, as well as the expected working capital requirements that the Company will have for the coming year, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

I. Principal accounting policies (continued)

c) Revenue

Revenue principally comprises fee income receivable for the provision of advisory services. Fees may be awarded in cash in which case revenue is recognised as the right to consideration arises through contractual performance. The Company may also receive certain non-cash remuneration for advisory services in the form of investments, typically shares and other securities, or in the form of contractual rights to future income or profits. In such instances, the revenue is recognised, appropriately, as the fair value of the right to consideration assessing whether the right to consideration does not arise until the occurrence of a future critical event which is outside the control of the Company or the Company's ability to realise an investment is restricted in some way. Such investments are accounted for as non-current asset investments (Note 7).

In accordance with IFRS 15 the Company reviewed its revenue streams, identified performance obligations and the transaction price of contracts and determined if revenue should be recognised over time, using the input method or as the performance condition is met. The following is a summary of the review:

	Nature	Revenue recognition	Judgements	Cash flows
Advisory Business	Corporate advisory	Satisfies performance obligation over time	Valuation of non-cash remuneration and accrued income	Payment terms are 30 days from receipt of invoice

d) Accrued income and work in progress

Accrued income represents the billable provision of services to clients which has not been invoiced at the reporting date. Management assesses the recoverability of accrued income on an individual basis taking into account an assessment of the client's financial position, the aged profile of the client's trade debtors and historical recovery rates. A specific provision is made against the value of any accrued income where recovery will not be made in full. Details about the company's impairment policies and the calculation of the loss allowance are provided in Note 10.

e) Deferred revenue

Fees in advance and up-front fees in respect of services due under contract are time apportioned to the respective accounting periods, and those billed but not yet earned are included in deferred revenue in the Statement of Financial Position.

f) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

I. Principal accounting policies (continued)

g) **Expenses**

Expenses are accounted for on an accruals basis.

h) **Investments held at fair value**

Investments in unlisted securities are categorised as financial assets held at fair value through profit or loss. They are carried in the Statement of Financial Position at fair value with net changes in the fair value shown through profit or loss. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired.

i) **Trade and other receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. The Company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost. Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 10.

Trade and other receivables with maturities greater than twelve months after the Statement of Financial Position date are classified as non-current assets. They are held at amortised cost using the effective interest method.

j) **Trade and other payables**

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) and are recognized at amortised cost. If not, they are presented as non-current liabilities. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables with maturities greater than twelve months are presented as non-current liabilities. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

I. Principal accounting policies (continued)

k) **Cash and cash equivalents**

Cash and cash equivalents include deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

l) **Other financial assets**

From 1 April 2019, The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL), and
- those to be measured at amortised cost.

Investments in equity instruments are measured at fair value and all movements in fair value are recognised through the profit and loss.

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows,
- and the contractual terms give rise to cash flows that are solely payments of principal and interest

The amortised cost of a financial asset or financial liability is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

If a financial asset is held with the objective of both holding to collect contractual cash flows and selling the asset and the terms of the asset gives rise to cash flows that are solely payments of principal and interest the asset will be measured at fair value through other comprehensive income. The Company does not hold any assets within this category.

Assets which do not meet either of these business models are held at fair value through the profit and loss.

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

I. Principal accounting policies (continued)

m) **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be readily estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Provisions for bad debts are raised according to the ageing profile of debtor balances, with additional provisions being raised for specific cases.

n) **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

o) **Taxation**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

p) **Critical accounting estimates and judgements**

The preparation of financial statements requires the use of accounting estimates. Management exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. There have been no actual adjustments this year as a result of an error or change in previous estimates.

The estimates and assumptions that could have a significant effect upon the Company's financial results relate to the fair value of non-current investments as set out in Note 7 and the estimates and judgements for the provision for doubtful debts set out in Note 10. The Directors set appropriate assumptions in forming these judgments and exercise appropriate caution when doing so.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

2. Revenue

A geographical segmental analysis of revenue is presented below:

	2023 £'000	2022 £'000
Revenue		
UK	550	1,517
Other (including Channel Islands, Europe and USA)	589	356
	1,139	1,873

3. Administrative expenses

Salary costs are not borne directly by the Company but are instead borne by Stonehage Fleming Services Limited.

	2023 £'000	2022 £'000
Audit services - statutory audit	20	19
Group service level expense	826	1,214
Miscellaneous data feeds	108	70
Other administrative expenses	88	56
	1,042	1,359

Other administrative expenses mainly comprises of distribution costs, regulatory membership fees and professional fees.

4. Directors' emoluments

Directors' fees for the services of Directors of the Company are paid by another group entity, Stonehage Fleming Services Limited, who pays salaries to and makes pension contributions on behalf of Directors of the Company.

	2023 £'000	2022 £'000
Aggregate emoluments including costs in respect of Long Term Incentive Plan awards	368	396
Company contributions to defined contribution pension scheme	5	8
	373	404

Highest paid Director

	2023 £'000	2022 £'000
Aggregate emoluments including costs in respect of Long Term Incentive Plan awards	316	321
Company contributions to defined contribution pension scheme	5	8
	321	329

Aggregate remuneration includes cash allowances in lieu of pension contributions. Retirement benefits are provided to 1 Director (2022: 1) under a defined contribution pension scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

5. Employees

The Company has no direct employees (2022: none).

6. Tax on profit on ordinary activities

	2023 £'000	2022 £'000
Current tax:		
UK Corporation tax on profits for the year	-	-
UK Corporation tax in respect of prior year losses	-	-
Total current tax charge for the year	-	-
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
Tax on profit on ordinary activities	-	-

The tax assessed for the year is same as the standard rate of Corporation tax in the UK 19% (2022: 19%).

Factors affecting current and future tax charges	2023 £'000	2022 £'000
Profit on ordinary activities before taxation	550	440
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 19% (2022: 19%)	105	84
Effects of:		
Losses carried forward	(105)	(84)
Surrender of group relief	-	-
Total tax charge for the year	-	-

7. Investments held at fair value

Non-current asset investments are investments in unlisted securities treated as non-current assets on the basis that they are potentially not realisable within twelve months. Management does not have an intention to sell the investments within the next twelve months. These investments are classified as Level 3 on the valuation hierarchy.

	2023 £'000	2022 £'000
Investments in unlisted securities		
At 1 April	212	283
Additions	-	-
Impairment of investment	(212)	-
Fair value adjustment	662	(71)
At 31 March	662	212

The investment in Qwasi has been impaired during the year and the increase in the share valuation of the investment in Playing Field (Theatre) Limited is contributing to the increase during the year.

There were no transfers of assets between levels in the fair value hierarchy during 2022 or 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

7. Investments held at fair value (continued)

Fair Value

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 March 2023 and 2022 are as shown below:

		Valuation technique	Significant unobservable inputs	Range	Change in discount +/-	Impact of discount change on valuation +/-£ for year
31 Mar 2023	Unlisted common, preferred shares and warrants	Recent capital raising Recent trade share price	Price per share	-	5%	(33)/33
31 Mar 2023	Unlisted common, preferred shares and warrants	Earnings multiples	Forecast Revenues, Multiples	Multiples range from 2.1 x (2022)	5%	(14)/14

Valuations are prepared internally. All valuations are considered by the Directors of the Company. The main Level 3 inputs used are as follows:

- Earnings multiples for marketing technology companies
- Actual revenues for the y/e 31 December 2021
- Forecast revenue for the y/e 31 December 2022
- Recent capital raising

8. Trade and other receivables

	2023 £'000	2022 £'000
Accrued income	-	4
Amounts owed by group undertakings	499	462
Other debtors	-	4
Prepayments	28	17
Trade debtors	501	171
	1,028	658

Amounts owed by group undertakings, being inter-company loans, are unsecured, interest free and have no fixed dates of repayment.

Trade debtors are stated net of a provision for doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

9. Trade and other payables

	2023 £'000	2022 £'000
Accruals	25	32
Amounts owed to group undertakings	401	21
Deferred income	38	30
Other creditors	3	-
Trade creditors	3	-
	470	83

10. Financial risk management

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables and cash that derive directly from its operations.

Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

Interest rate risk

The Company's cash balances are exposed to interest rate risk arising from changes in interest rates. Management do not currently operate any hedging policies in respect of this risk. In Management's opinion there are no other significant interest bearing assets or liabilities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have any significant exposure to foreign currencies. The Company reviews its foreign exchange exposures and ensures that these are managed as appropriate.

As at 31 March 2023	GBP £'000	USD £'000	EUR £'000	CHF £'000	ZAR £'000	Other £'000	Total £'000
Net assets	1,264	247	-	-	(1)	-	1,510

Sensitivity analysis

Assuming a +/-10% movement in exchange rates against sterling:

	-	25	-	-	-	-	25
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As at 31 March 2022	GBP £'000	USD £'000	EUR £'000	CHF £'000	ZAR £'000	Other £'000	Total £'000
Net assets	842	118	-	-	-	-	960

Sensitivity analysis

Assuming a +/-10% movement in exchange rates against sterling:

	-	12	-	-	-	-	12
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

10. Financial risk management (continued)

Price risk

For some mandates, the Company receives non-cash remuneration in the form of investments, typically shares and other equity related securities. Such income is affected by the impact of movements in the value of the relevant securities. It is not currently the policy of the Company to seek to reduce the exposure of the Company through hedging mechanisms.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and deposits with banks. The Company monitors its credit exposures and ensures that these are managed as appropriate.

Cash balances within the Company are held with banks with a minimum credit rating of 'A'.

Impairment of financial assets

The Company has two types of financial assets that are subject to a provision for credit losses:

- Trade receivables for sales
- Accrued income

Trade and other receivables and accrued income are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due. The Company considers this methodology to be materially consistent with a loss allowance calculated using the simplified expected loss model under IFRS 9 which uses a lifetime expected loss allowance.

The Company considers that forward looking information such as macroeconomic factors will have an immaterial impact on the expected credit losses of the Company. Impairment losses on trade receivables and contract assets are presented as net impairment losses within profit on ordinary activities before taxation. Subsequent recoveries of amounts previously written off are credited against the same line item.

The ageing analysis of gross trade debtors excluding provision is as follows:

	Total £'000	< 3 months £'000	3-6 months £'000	6-9 months £'000	>9 months £'000	>12 months £'000
31 March 2023	501	487	14	-	-	-
31 March 2022	208	151	-	20	-	37
				2023 £'000		2022 £'000
Gross trade debtors				501		208
Loss allowance				-		(37)
Net trade debtors				501		171

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

10. Financial risk management (continued)

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but has not yet been identified. Management considers that there is evidence of impairment if any of the following indicators are present:

- Significant financial difficulties of the debtor
- Default or delays in payment

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2023 £'000	2022 £'000
At 1 April	37	239
Provision for impairment recognised during the year	(3)	3
Receivables written off during the year as uncollectable	(34)	(205)
Unused amount reversed	-	-
At 31 March	-	37

Liquidity risk

Liquidity risk includes the risk that, as a result of liquidity requirements in the future, the Company will be forced to sell financial assets at a potentially unfavourable value or may be unable to exit these positions at all, or the Company will have insufficient funds to settle a transaction on the due date. Management believe this risk is mitigated through proper cash flow management and the existence of sufficient liquid reserves.

The Company does not hold any long-term assets or liabilities which are receivable/due more than 12 months from the end of the financial year as such a table showing the receipt/payment profile for future years is not presented.

11. Called up share capital

	2023 £'000	2022 £'000
Authorised		
5,500,000 (2022: 5,500,000) ordinary shares of £1 each	5,500	5,500
	5,500	5,500
Allotted and fully paid		
500,000 (2022: 500,000) ordinary shares of £1 each	500	500
	500	500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

12. Capital Structure

The Company's objectives when managing capital remain unchanged and are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- maintain an optimal capital structure and;
- ensure compliance with applicable capital requirements and regulations.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities. The Company considers its capital to be its total equity as shown on the Statement of Financial Position.

13. Contingencies

The Company can from time to time be party to legal and other claims in the ordinary course of its business. The Directors assess all claims carefully and make provision and/or disclosure as appropriate. In the Board's opinion no provisions or disclosures are necessary in these financial statements (2022: none).

14. Related party transactions

The table below sets out the amounts payable, amounts receivable and balance due to or payable by the Group in respect of all related party transactions.

	2023 £'000	2022 £'000
Income from related parties		
Entities with significant influence over the entity**		
- Stonehage Fleming Financial Services Holdings Limited	125	327
Fellow subsidiaries		
- Stonehage Fleming Investment Management Limited	130	130
- Stonehage Fleming Law Limited	-	1
- Stonehage Fleming Trust Holdings (Jersey) Limited	30	-
- Stonehage Fleming Wealth Planning Limited	5	-
Expenses to related parties		
Entities with significant influence over the entity**		
- Stonehage Fleming Financial Services Holdings Limited	40	40
Fellow subsidiaries		
- Stonehage Fleming Law Limited	-	1
- Stonehage Fleming Services Limited	778	1,173
- Stonehage Fleming South Africa (Pty) Ltd	8	-
Amounts owed by related parties *		
Entities with significant influence over the entity**		
- Stonehage Fleming Financial Services Holdings Limited	469	384
Fellow subsidiaries		
- Stonehage Fleming Investment Management Limited	-	78
- Stonehage Fleming Trust Holdings (Jersey) Limited	30	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

14. Related party transactions (continued)

Provisions and amounts owed to related parties *

Fellow subsidiaries

- Stonehage Fleming Investment Management Limited	12	-
- Stonehage Fleming Law Limited	1	1
- Stonehage Fleming Services Limited	387	20
- Stonehage Fleming South Africa (Pty) Ltd	1	-

* These amounts are classified as trade receivables and trade payables, respectively (see Notes 8 and 9).

**Entities with significant influence over the Company are considered to be entities that control Stonehage Fleming (UK) Limited either directly or indirectly.

Key management personnel of the Company or its Parent***	652	642
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*** Amounts owed relate to loans given to directors of this Company.

Amounts owed as 31 March 2023 are loans issued to directors of the Company by Stonehage Fleming Family and Partners Limited for the purchase of class A, B & C ordinary shares (Growth shares). These loans are subject to interest at 1.75% per annum. Neither the amounts owed nor the income received are reflected in the Company's financial statements.

15. Ultimate parent undertaking

The immediate parent undertaking and controlling party of the Company is Stonehage Fleming (UK) Limited, a company incorporated in England (registered number 4006741).

The largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Stonehage Fleming Family & Partners Limited and the smallest such group of undertakings for which group financial statements are drawn up is Stonehage Fleming (UK) Limited. Copies of the financial statements of Stonehage Fleming (UK) Limited are available on request from 6 St James's Square, London, SW1Y 4JU.

Stonehage Fleming Family & Partners Limited does not have a single immediate parent company or ultimate controlling party. It is owned primarily by the following entities, Caledonia Investments plc, Spes Bona Limited, Stonehage Fleming Global Limited as trustee of Stonehage Fleming Incentive Trust, SIH Limited and Blue Coast Capital Limited, none of whom have an ownership interest greater than 37%. In addition to these entities the Group is owned by a number of smaller shareholders who individually hold less than 10%.

16. Events after the reporting period

No events occurred after the reporting period that required adjustment or disclosure in the financial statements.