

SMYTHE HOUSE LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022

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FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

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SMYTHE HOUSE LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022

DIRECTORS:

E A Galwey
S P McGivern

REGISTERED OFFICE:

Nightingale House
65 Curzon Street
Mayfair
London
W1J 8PE

REGISTERED NUMBER:

07088807 (England and Wales)

AUDITORS:

Keelings Limited
Statutory Auditors, Chartered Tax Advisers
and Chartered Certified Accountants
Broad House
The Broadway
Old Hatfield
Hertfordshire
AL9 5BG

BANKERS:

HSBC
60 Queen Victoria Street
London
EC4N 4TR

**STRATEGIC REPORT
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

The directors present their strategic report for the period 1 December 2020 to 31 March 2022.

REVIEW OF BUSINESS

Smythe House Limited is an independent and privately owned specialised provider of financial advisory and wealth management services to professional clients and corporate finance services to small and medium sized enterprises.

Since 31st August 2012, the company has been authorised and permitted by the UK Financial Conduct Authority (FCA) to provide financial advice to clients who are capable of being classified as "professional clients" under the rules of the FCA. The company also undertakes corporate finance and certain other investment business.

The results for the company show a pre-tax profit of £125,928 (2020 - £165,121) for the year and turnover of £372,165 (2020 - £264,148).

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to investment risk (being the potential for poor performance on the investment opportunities on which the company advises), reputational risk (being a failure to deliver a high standard of service or a failure to comply with the company's regulatory or legal obligations), the speed at which the company can acquire new clients and the company's ability to react and adapt to an evolving regulatory environment.

The other main risks the company face are operational, credit and liquidity.

KEY PERFORMANCE INDICATORS

Given the uncomplicated nature of the business, the company's director is of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

FUTURE DEVELOPMENTS

The company expects to continue to benefit in the future from rules impacting the regulation of the financial services industry in the UK introduced by the FCA with effect from 1st January 2013 known as the Retail Distribution Review (RDR). The company's business model and strategy has been specifically designed with RDR in mind and the company is expected to attract an increasing number of new clients in the coming year.

In addition, the company sees significant scope to continue to expand its corporate finance activities in the coming year and will pursue a number of commercial arrangements with other market participants to establish an increased capacity to originate and execute corporate finance business.

**STRATEGIC REPORT
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

FINANCIAL RISK MANAGEMENT

The main financial risks faced by the company are considered to be investment risks, reputational risk, liquidity risk, operational risk and credit risk. These risks and the company's approach to dealing with them are described below:

Investment risk is the potential for poor performance on the investment opportunities on which the company advises. This risk is managed with the establishment of a robust investment advisory process which includes understanding each customer's aptitude to risk and in detail, their financial requirements and investment needs and also with continuous research and analysis on the areas the company covers under its advisory and placing services and the recruitment and retention of highly talented investment specialists who embrace our investment approach.

Reputational risk is the risk of being perceived to be a failure to comply with regulatory and legal obligations or failure to deliver minimum standards of service and product quality to customers. The company manages this risk by training employees to identify and manage reputational risks as well as carefully screening advisors to ensure the quality of analysis and customer service is in line with the company's offering and also by ensuring customers understand the methodology of the company's process and having a clear long-term plan. To alleviate non-compliance, the company has set out documented controls and procedures as well as appoints external compliance consultants to perform compliance reviews.

Liquidity risk is the possibility that the company will encounter difficulty in meeting its obligations associated with its financial liabilities. The company, in conjunction with its group companies, controls liquidity risk by maintaining easily realisable liquid assets and monitoring actual cash flows.

Operational risk is the risk of direct and indirect loss resulting from inadequate or failed internal processes, people and systems, or from external parties. The company's approach to mitigate this risk includes continual reviewing and upgrading of internal controls and procedures, including robust policies and procedures in respect of regulatory compliance, anti-money laundering and finance. In addition, regular maintenance and updating of IT systems and recruiting, retaining and motivating high quality professionals.

Credit risk is the risk that a party will default on a financial agreement such as fees due and deposits held with UK authorised banks. The risk is abated by performing credit checks and completing due diligence checks at the outset of entering into material contracts, which include agreeing to contractual fee arrangements and monitoring payments against agreed payment arrangements in addition to periodic monitoring of the financial strength of the credit institution. It is however not exposed to credit and counterparty risk to customers as there are no transactional counterparty risk as the company provides advising and placing services, plus all transactions are settled through counterparties and accounts are held with clearing and executing brokers where applicable.

The company is also not exposed to market risk as the company provides investment advisory and placing services and does not carry any significant amount assets or liabilities.

CAPITAL MANAGEMENT

The company's approach to calculating its own internal capital requirements has been to take the minimum capital required regulatory purposes as the starting point, assess whether this is sufficient to cover its own evaluation of risk, and then identify other risks and assess prudent levels of capital to meet them.

Capital levels are set with reference to the shareholder's funds and these are adjusted to reflect risk and liquidity. Shareholders' funds do not include any amount that may constitute a commitment or liability to any party other than a distribution to the equity shareholder.

The company manages its capital to ensure it will be able to continue as a going concern while aiming to maximise the return to its parent company. The capital structure of the company consists of equity attributable to its parent company, comprising issued capital, reserves and retained earnings as disclosed in the Balance Sheet.

The company is subject to the Financial Conduct Authority's imposed capital requirements, of which it complied with during the year.

SMYTHE HOUSE LIMITED (REGISTERED NUMBER: 07088807)

**STRATEGIC REPORT
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

GOING CONCERN

The directors have a reasonable expectation, based on its current cash position and the expectation that it will continue to trade profitably, that the company will continue to operate for the foreseeable future and so these financial statements are prepared on the going concern basis.

ON BEHALF OF THE BOARD:

E A Galwey - Director

25 July 2022

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

The directors present their report with the financial statements of the company for the period 1 December 2020 to 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the provision of financial and wealth management advisory services to professional clients.

DIVIDENDS

The total distribution of dividends for the period ended 31st March 2022 was £42,000 (2020 - £124,550).

FUTURE DEVELOPMENTS

The company's future developments in the business are included in the strategic report.

DIRECTORS

E A Galwey has held office during the whole of the period from 1 December 2020 to the date of this report.

Other changes in directors holding office are as follows:

S H Galwey - resigned 27 May 2021

S P McGivern - appointed 26 January 2022

DISCLOSURE IN THE STRATEGIC REPORT

Any risks deemed to be material have been covered by the strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 these financial statements, the directors are required to:

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Keelings Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

E A Galwey - Director

25 July 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SMYTHE HOUSE LIMITED

Opinion

We have audited the financial statements of Smythe House Limited (the 'company') for the period ended 31 March 2022 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 company's affairs as at 31 March 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SMYTHE HOUSE LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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 a Report of the Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

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

We gained an understanding of the legal and regulatory framework applicable to the Entity and the industry in which it operates and considered the risk of acts by Management which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with Financial Reporting Framework FRS 102, Companies Act 2006, General Data Protection Regulations, and applicable Health and Safety and Employment Legislation. We made enquiries of the Trustees of the Charity to obtain further understanding of the risks of noncompliance. We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of Management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of the Board meetings throughout the year; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or noncompliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SMYTHE HOUSE LIMITED**

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 a Report of the Auditors 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.

Domenico Maurello (Senior Statutory Auditor)
for and on behalf of Keelings Limited
Statutory Auditors, Chartered Tax Advisers
and Chartered Certified Accountants
Broad House
The Broadway
Old Hatfield
Hertfordshire
AL9 5BG

25 July 2022

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

	Notes	PERIOD 1.12.20 TO 31.3.22 £	YEAR ENDED 30.11.20 £
TURNOVER		372,165	264,148
Administrative expenses		<u>246,241</u>	<u>104,518</u>
		125,924	159,630
Other operating income		<u>-</u>	<u>5,490</u>
OPERATING PROFIT	4	125,924	165,120
Interest receivable and similar income		<u>4</u>	<u>1</u>
PROFIT BEFORE TAXATION		125,928	165,121
Tax on profit	5	<u>8,869</u>	<u>31,739</u>
PROFIT FOR THE FINANCIAL PERIOD		117,059	<u>133,382</u>

SMYTHE HOUSE LIMITED (REGISTERED NUMBER: 07088807)

**OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

	Notes	PERIOD 1.12.20 TO 31.3.22 £	YEAR ENDED 30.11.20 £
PROFIT FOR THE PERIOD		117,059	133,382
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>117,059</u>	<u>133,382</u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2022

	Notes	2022 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	7		1,335		187
CURRENT ASSETS					
Debtors	8	116,170		99,620	
Cash at bank		<u>189,660</u>		<u>28,606</u>	
		305,830		128,226	
CREDITORS					
Amounts falling due within one year	9	<u>75,162</u>		<u>71,469</u>	
NET CURRENT ASSETS			<u>230,668</u>		<u>56,757</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>232,003</u>		<u>56,944</u>
CAPITAL AND RESERVES					
Called up share capital	10		2,395		2,000
Share premium			124,355		24,750
Retained earnings			<u>105,253</u>		<u>30,194</u>
SHAREHOLDERS' FUNDS			<u>232,003</u>		<u>56,944</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 July 2022 and were signed on its behalf by:

E A Galwey - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 December 2019	2,000	21,362	24,750	48,112
Changes in equity				
Dividends	-	(124,550)	-	(124,550)
Total comprehensive income	-	133,382	-	133,382
Balance at 30 November 2020	<u>2,000</u>	<u>30,194</u>	<u>24,750</u>	<u>56,944</u>
Changes in equity				
Issue of share capital	395	-	99,605	100,000
Dividends	-	(42,000)	-	(42,000)
Total comprehensive income	-	117,059	-	117,059
Balance at 31 March 2022	<u>2,395</u>	<u>105,253</u>	<u>124,355</u>	<u>232,003</u>

**CASH FLOW STATEMENT
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

		PERIOD	YEAR ENDED
		1.12.20	30.11.20
		TO	
		31.3.22	
		£	£
Cash flows from operating activities			
Cash generated from operations	1	103,443	180,759
Tax paid		(31,739)	(35,232)
Net cash from operating activities		<u>71,704</u>	<u>145,527</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,795)	-
Interest received		4	1
Net cash from investing activities		<u>(1,791)</u>	<u>1</u>
Cash flows from financing activities			
Intercompany balance		32,753	-
Amount introduced by directors		388	-
Amount withdrawn by directors		-	297
Share issue		100,000	-
Equity dividends paid		(42,000)	(124,550)
Net cash from financing activities		<u>91,141</u>	<u>(124,253)</u>
Increase in cash and cash equivalents		<u>161,054</u>	<u>21,275</u>
Cash and cash equivalents at beginning of period	2	28,606	7,331
Cash and cash equivalents at end of period	2	<u>189,660</u>	<u>28,606</u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	PERIOD	YEAR ENDED
	1.12.20	30.11.20
	TO	
	31.3.22	
	£	£
Profit before taxation	125,928	165,121
Depreciation charges	647	92
Finance income	(4)	(1)
	126,571	165,212
Increase in trade and other debtors	(16,550)	(1,338)
(Decrease)/increase in trade and other creditors	(6,578)	16,885
Cash generated from operations	<u>103,443</u>	<u>180,759</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 March 2022

	31.3.22	1.12.20
	£	£
Cash and cash equivalents	<u>189,660</u>	<u>28,606</u>

Year ended 30 November 2020

	30.11.20	1.12.19
	£	£
Cash and cash equivalents	<u>28,606</u>	<u>7,331</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.20	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank	<u>28,606</u>	<u>161,054</u>	<u>189,660</u>
	<u>28,606</u>	<u>161,054</u>	<u>189,660</u>
Total	<u>28,606</u>	<u>161,054</u>	<u>189,660</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022**

1. STATUTORY INFORMATION

Smythe House Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

It is the expectation of the Directors that the company will be able to meet its liabilities as they fall due over a period of at least 12 months.

The directors believe that with the help and continued support from the parent company Oberon Securities, the company will be able to manage its business risks successfully and that the company has adequate resources to continue in operational existence for the foreseeable future.

Additionally, Oberon Securities Limited has provided a letter of support, providing comfort to the board of directors. The directors are therefore of the opinion that it is appropriate to prepare the accounts on a going concern basis.

Related party exemption

The company has taken advantage of the exemption provided by FRS 102 not to disclose transactions with group members.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. In the Director's opinion, there are no significant judgements or key sources of estimation uncertainty.

Turnover

Turnover represents net revenues from services and commissions receivable, excluding value added tax. Revenue from membership fees is recognised over the period of subscription or renewal, and commissions receivable on the basis of statement entitlements.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Depreciation of fixed assets has been provided to reduce the cost of the assets to realisation over their expected useful lives at the following rates per annum:

Computer equipment : 33% on reducing balance.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	PERIOD 1.12.20 TO 31.3.22 £	YEAR ENDED 30.11.20 £
Wages and salaries	127,330	16,840
Social security costs	10,703	-
Other pension costs	9,600	7,200
	<u>147,633</u>	<u>24,040</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022

3. EMPLOYEES AND DIRECTORS - continued

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

	PERIOD 1.12.20 TO 31.3.22	YEAR ENDED 30.11.20
Administration	<u>2</u>	<u>2</u>

	PERIOD 1.12.20 TO 31.3.22	YEAR ENDED 30.11.20
	£	£
Directors' remuneration	63,665	8,732
Directors' pension contributions to money purchase schemes	<u>6,400</u>	<u>4,800</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	PERIOD 1.12.20 TO 31.3.22	YEAR ENDED 30.11.20
	£	£
Other operating leases	1,225	846
Depreciation - owned assets	647	92
Auditors' remuneration	3,000	2,500
Auditors' remuneration for non audit work	<u>2,000</u>	<u>5,290</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	PERIOD 1.12.20 TO 31.3.22	YEAR ENDED 30.11.20
	£	£
Current tax:		
UK corporation tax	8,869	31,739
Tax on profit	<u>8,869</u>	<u>31,739</u>

UK corporation tax was charged at 19% in 2020.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022

5. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	PERIOD 1.12.20 TO 31.3.22 £	YEAR ENDED 30.11.20 £
Profit before tax	<u>125,928</u>	<u>165,121</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	23,926	31,373
Effects of:		
Expenses not deductible for tax purposes	<u>(15,057)</u>	<u>366</u>
Total tax charge	<u>8,869</u>	<u>31,739</u>

6. **DIVIDENDS**

	PERIOD 1.12.20 TO 31.3.22 £	YEAR ENDED 30.11.20 £
Ordinary shares of £1 each		
Interim	<u>42,000</u>	<u>124,550</u>

7. **TANGIBLE FIXED ASSETS**

	Computer equipment £
COST	
At 1 December 2020	6,529
Additions	<u>1,795</u>
At 31 March 2022	<u>8,324</u>
DEPRECIATION	
At 1 December 2020	6,342
Charge for period	<u>647</u>
At 31 March 2022	<u>6,989</u>
NET BOOK VALUE	
At 31 March 2022	<u>1,335</u>
At 30 November 2020	<u>187</u>

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2020 £
Trade debtors	9,208	10,137
Other debtors	89,367	89,367
Prepayments & accrued income	<u>17,595</u>	<u>116</u>
	<u>116,170</u>	<u>99,620</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2020 TO 31 MARCH 2022

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2020
	£	£
Trade creditors	200	20,464
Amounts owed to group undertakings	32,753	-
Corporation tax	8,869	31,739
Social security and other taxes	3,706	586
VAT	10,464	4,637
Other creditors	3,374	-
Directors' current accounts	755	367
Deferred income	9,661	6,176
Other creditors and accruals	5,380	7,500
	<u>75,162</u>	<u>71,469</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	2022	2020
Number:	Class:	value:	£	£
2,395	Ordinary	£1	<u>2,395</u>	<u>2,000</u>

11. RELATED PARTY DISCLOSURES

During the year, total dividends of £42,000 (2020: £123,100) were paid to shareholders prior to the sale of their shares to Oberon Securities Limited.

At the balance sheet date, the company owed E A Galwey, a director of the company, £755 (2020: £367). The loan attracts no interest and is repayable on demand.

12. CONTROLLING PARTIES

From 27th May 2021, the immediate parent of Smythe House Limited is Oberon Securities Limited, which prepares consolidated accounts. It has its registered office at Nightingale House, 65 Curzon Street, Mayfair, London, England, W1J 8P.

The company's ultimate controlling entity is Oberon Investments Group Plc, which also prepares consolidated accounts. It has its registered office at Nightingale House, 65 Curzon Street, Mayfair, London, England, W1J 8P.

13. GOVERNMENT GRANT

	2022	2020
	£	£
Government grant - Job Retention Scheme	-	5,490

The Government put together a package of temporary measures to support businesses through this period of disruption caused by the Coronavirus pandemic. The company was eligible for Job Retention Scheme grants and received a total of £nil (2020: £5,490) during the period ended 31st March 2022.

14. CHANGE TO THE REPORTING DATE

The reporting period was extended to a 16 month period ended 31st March 2022, to align with its parent company Oberon Securities Limited.

As a result of the extended period, the comparative amounts in the accounts are not entirely comparable.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.