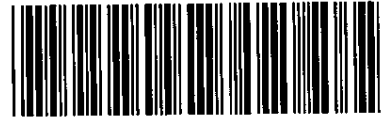


DON'T  
STAPLE**OS AA01**Statement of details of parent law and other  
information for an overseas company

Companies House



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COMPANIES HOUSE

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✓ **What this form is for**  
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disclosed under parent law.

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SATURDAY  
TUESDAY**Part 1 Corporate company name**

Corporate name of overseas company ①

SUCCESSION JERSEY LIMITED

UK establishment  
number

B R 0 2 3 7 3 9

→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state.

**Part 2 Statement of details of parent law and other  
information for an overseas company****A1 Legislation**

Please give the legislation under which the accounts have been prepared and  
audited.

Legislation ②

COMPANIES (JERSEY) LAW, 1991

② This means the relevant rules or  
legislation which regulates the  
preparation of accounts.

**A2 Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3**.

☒ **Yes.** Please enter the name of the organisation or other  
body which issued those principles below, and then go to **Section A3**.

③ Please insert the name of the  
appropriate accounting organisation  
or body.

Name of organisation  
or body ③

THE FINANCIAL REPORTING COUNCIL, UK &amp; IRELAND

**OS AA01**

Statement of details of parent law and other information for an overseas company

<b>A3 Audited accounts</b>		
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>❶ Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ❶	AUDITING PRACTICES BOARD - ISA (UK)	
<b>Part 3 Signature</b>		
Signature	I am signing this form on behalf of the overseas company.	
	<p>Signature</p> <p>X J. A. Stevenson X</p>	
	This form may be signed by: Director, Secretary, Permanent representative.	

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	ADRIAN WEBB
Company name	SUCCESSION HOLDINGS LTD
Address	15 DAVY ROAD
PLYMOUTH SCIENCE PARK	
DERRIFORD	
Post town	PLYMOUTH
County/Region	DEVON
Postcode	P L 6 8 B Y
Country	ENGLAND
DX	
Telephone	



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- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



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139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
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**Company Registration No. 133622 (Jersey)**

**SUCCESSION JERSEY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

# SUCCESSION JERSEY LIMITED

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# **SUCCESSION JERSEY LIMITED**

## **STRATEGIC REPORT**

### **FOR THE PERIOD ENDED 31 DECEMBER 2021**

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The directors present their strategic report for the period ended 31 December 2021.

#### **Business Review**

The Succession Jersey Limited group (Group) provides independent financial advice as well as an investment platform service. Group strategy is to increase its standing as a UK-wide independent wealth management and financial planning specialist through the provision of excellent client service as well as the acquisition and subsequent organic growth of regulated financial advisory businesses.

The Board continues its commitment to investing in the long-term sustainability of the Group. Communications and working practices adapted significantly during the Covid pandemic and H2 of 2021 saw the implementation of a new hybrid working arrangement, with a more flexible approach to working hours and place of work.

#### **Incorporation and Investing Activities**

Succession Jersey Limited (SJL) was incorporated on 5 February 2021, the accounting period of these financial statements is therefore 5 February 2021 to 31 December 2021. On 8 July 2021, SJL acquired the entire issued share capital of Succession Finance Jersey Limited (SFJL) from Succession Holdings Jersey Limited (SHJL). The consideration paid was predominantly debt, with a small element of cash. The result of this transaction was that SJL became the sole shareholder of SFJL and the new "TopCo" of SFJL and its subsidiaries, i.e. all Succession trading companies including Succession Group Ltd (SGL).

Upon completion of the sale, SHJL became a dormant holding company and was placed into members voluntary liquidation which, at the time of signing the accounts, is yet to be completed. All shareholders of SHJL (both preference and equity shares) were given the option to reinvest in the new TopCo, SJL. Those shareholders choosing not to reinvest were given cash to the value of their shareholding, and all those choosing to re-invest, including all preference shareholders, were re-issued shares in proportion to their original SHJL shareholdings.

A portion of the Group at acquisition was owned by non-controlling interests. The non-controlling interest represented SGL B ordinary shares owned by individuals and companies that were not Succession Group entities. The acquisition of SFJL met the definition of an "Exit Event" as determined by article 50.1 of SGL's articles, which triggered the acquisition of these shares from the non-controlling interest by SGL's immediate parent undertaking. The transaction was completed through a roll up process whereby the SGL B shareholders were ultimately issued D1 redeemable preference shares in the new parent entity SJL as consideration for their shares. The restructure effectively removed the non-controlling interest at the Succession Group Ltd level.

#### **Financial Review**

Within the financial review, the results of the year are considered including an analysis of each of the key elements of the Group's Statement of Comprehensive Income.

#### **Summary of Financial Performance**

These financial statements present the results of the SJL Group from 8 July 2021 to 31 December 2021. SJL did not trade until it acquired SFJL on 8 July 2021.

The Group achieved total turnover of £39.3m in the period and recurring revenue as a percentage of total revenue was 84% for the period. General administrative expenses were £32.2m. This led to the Group recording EBITDAE of £7.5m for the period.

The Group's financing arrangements support the growth strategy of the Group. The Group has five primary banking facilities, being three term loans, a revolving credit facility and an acquisition facility, which provide access to funds of up to £109m. Whilst many acquisition deals were paused during the Covid-19 pandemic, four new acquisitions have been announced and are due to complete in H1 of 2022.

# SUCCESSION JERSEY LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

The Group recorded an operating loss for the period of £20.7m after charging amortisation of £5.0m and exceptional items of £22.8m.

#### Income Statement

Period ended  
31 December 2021  
£m

<b>Turnover</b>	<b>39.3</b>
General administrative expenses	(32.2)
Goodwill & intangible asset amortisation	(5.0)
Exceptional items	(22.8)
<b>Operating loss</b>	<b>(20.7)</b>
Financing costs	(7.3)
<b>Loss before tax</b>	<b>(28.0)</b>

#### Adjusted EBITDA

To analyse the Group's profitability a measure of adjusted EBITDA and EBITDA margin (Adjusted EBITDA divided by turnover) is used. This is adjusted earnings before Interest, Tax, Depreciation, Amortisation and Exceptional items.

The directors consider the adjusted EBITDA figure to eliminate any costs that are not directly linked to the ordinary course of business and therefore provides the most useful comparison of profitability across years. Specifically excluded from this figure are any acquisition and integration costs. These are one-off costs incurred on each additional acquisition the Group completes and costs incurred on potential future acquisitions. These costs predominantly comprise internal staff time and would not ordinarily be incurred in the event that the business stopped its buy and build strategy, so should therefore be excluded when looking at the profitability of the Group.

A reconciliation of operating loss to adjusted EBITDA is shown below.

#### Operating loss to adjusted EBITDA

Period ended  
31 December 2021  
£m

<b>Operating loss</b>	<b>(20.7)</b>
Exceptional items	22.8
Amortisation	5.0
Depreciation	0.4
Acquisition and novation costs	0.9
<b>Adjusted EBITDA</b>	<b>8.4</b>

The adjusted EBITDA margin for the period was 21.5%. Travel, Marketing and Property costs all remained lower than pre-pandemic levels and this is expected to continue following the Group's move towards hybrid working. The capital restructuring, discussed in the Business Review, also included a restructuring of advisor pay, which has had a beneficial impact on operating costs post July 2021 and has contributed to the strong EBITDA performance.

# SUCCESSION JERSEY LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

#### Turnover

	Period ended 31 December 2021 £m
Turnover (financial advisory)	32.6
Turnover (investment platform)	6.7
Turnover (total)	39.3

The Group recorded turnover of £39.3m for the period. The Group's advisory business comprises three regulated companies (wealth management, transactions, and corporate benefit solutions) into which the trade of acquisitions is progressively and compliantly transferred. Turnover from the advisory business was £32.6m. Succession Advisory Services Limited maintains the Group's investment platform business. Turnover from the platform business for the period was £6.7m.

#### Assets under management (AUM) & Net new money

31 December 2021

Assets under management (AUM) £8.20bn

Assets under management were £8.20bn at the end of the reporting period, an increase of £0.2bn on the start of the reporting period. This is a result of positive market movements through 2021 and continued organic growth.

#### Exceptional items, non-recurring costs, depreciation, and amortisation

Exceptional items of £22.8m were incurred during the period.

	Period ended 31 December 2021 £m	£m
Integration and restructuring		0.5
Equity shares (share-based payment)		7.6
<u>Preference share options (employee benefits)</u>		
D1 preference shares	7.8	
D2 preference shares	0.6	
E preference shares	5.0	
Total preference share options (employee benefits)		13.4
PAYE on equity shares		1.1
Other		0.2
<b>Total exceptional items</b>		<b>22.8</b>



# **SUCCESSION JERSEY LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE PERIOD ENDED 31 DECEMBER 2021**

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The share-based payment charge of £7.6m is required to be made under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. These charges spread the cost of future cash settled equity instruments (D, E, and J ordinary shares) over the expected vesting period. The preference share option charge spreads the cost of the employee benefit received over the vesting period. At 31 December, the board have assessed the most likely vesting date to be 30 September 2022.

The PAYE liability is the expected net outflow payable to HMRC on shares issued alongside the restructure on 8th July 2021 after accounting for amounts due back from those shareholders. There were £0.5m of integration and restructuring costs incurred as part of the above project and £0.2m of other exceptional items, which relate to aborted acquisition costs and onerous lease and dilapidation charges.

Amortisation charges of £5.0m arising on goodwill and other intangibles and exceptional items of £22.8m led to the Group recording an operating loss for the period of £20.7m.

#### **Financing costs**

Interest payable totalled £7.3m. This figure comprises £2.7m on bank loans, £1.7m on preference shares and £2.9m on PIK loan notes.

#### **Group financing facilities**

The Group has five primary banking facilities, being three term loans, a revolving credit facility and an acquisition facility. The banking agreement is with Ares Management Limited with the support of HSBC UK Bank plc providing facilities of up to £109m. Further details of the facilities are given in note 18.

#### **Group Structure and Acquisitions**

Succession has now fully integrated and re-branded under the Succession name the businesses of 56 separate acquisitions (comprising 59 share purchases and 26 trade and asset deals). The Group intends to continue to grow through acquisition, and thereby leverage its expertise in acquisition and integration activities.

#### **Employees**

As a result of the COVID-19 pandemic a dedicated support team, representing all areas of the business, was put in place. Support was provided to all colleagues ensuring that operational safety reviews took place and required changes implemented swiftly. As a result of the recommendations made by this working group:

- Our offices were made Covid secure and remained open for business-critical post and print.
- Operational processes were reviewed to ensure they could continue whilst staff worked from home.
- Enhanced support for wellness and wellbeing was offered to all colleagues.

This working group also supported the launch of Agile Working when the offices fully reopened in September 2021.

#### **Staff numbers**

The total number of people working for and providing services on behalf of the company and its subsidiaries was 563 at 31 December 2021. The number of planners was 166 at 31 December 2021. The monthly average number of employed staff for the period to 31 December 2021 was 484 (see note 6).

# **SUCCESSION JERSEY LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **Gender pay gap**

The Group is committed to equality, diversity and inclusion and published its third Gender Pay Gap report in 2021. The Gender Pay Gap on hourly pay between men and women at 5 April 2021 is 22.9% Median (2020: 21.9%) and 36.1% Mean (2020: 37.6%). In respect of bonus payment, women are bonused 89.2% Median (2020: 85.8%) and 75.9% Mean (2020: 86.2%), this is largely due to limited bonuses being paid as a result of COVID-19 and Planner Variable Pay being included in the calculations. Our Planner community is represented by 13% women and 87% men.

The Median continued to be better than the Financial Services and Insurance Median pay gap of 23.6% (as published by Statista: Median gender pay gap for full-time hourly earnings in the UK in 2020 and 2021, by industry sector). The Gender Pay Gap within the Group continues to be as a result of less women being employed at the most senior levels and not as a result of unequal pay. The Group continues to focus on diversity and inclusion and is pleased to report that 54% of our Senior Leadership Team is made up of female colleagues.

### **Employee involvement**

The Group's policy is to consult and discuss with employees matters likely to affect their interests. Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Share option scheme**

An unapproved employee equity share option scheme was in place for qualifying individuals until the "Exit Event" on 8 July 2021, whereupon those share options were replaced with preference share options in the Ultimate parent undertaking, Succession Jersey Limited.

### **Modern slavery act**

During the period, the Board reviewed arrangements and approved Succession's Modern Slavery and Human Trafficking Statement, which sets out the steps taken to prevent modern slavery in our business and supply chains. The Group's Modern Slavery Act Statement is published on our website.

# SUCCESSION JERSEY LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

### Streamlined Energy & Carbon Reporting (SECR)

Data below is for the full year 2021, the majority of energy consumed in the business is through the primary trading subsidiary, Succession Wealth Management Limited.

#### UK Greenhouse gas emissions and energy use data for year

<u>Energy consumption (kWh)</u>	<b>2021</b>	<b>2020</b>
Gas	143,250	134,614
Electricity	397,052	298,616
Transport fuel	-	-
<b>Energy consumption used to calculate emissions</b>	<b>540,302</b>	<b>433,230</b>

#### Emissions in metric tonnes CO2e

Gas consumption	26.24	24.75
Owned transport	-	-
<b>Total Scope 1</b>	<b>26.24</b>	<b>24.75</b>
Purchased electricity	84.31	69.62
<b>Total Scope 2</b>	<b>84.31</b>	<b>69.62</b>
Business travel in employee-owned vehicles	64.75	56.41
<b>Total Scope 3</b>	<b>64.75</b>	<b>56.41</b>
<b>Total gross emissions in metric tonnes CO2e</b>	<b>175.30</b>	<b>150.78</b>
Intensity ratio Tonnes CO2e per head	0.36	0.31

Quantification and reporting methodology:

The above data has been prepared using HM Government Environmental Reporting Guidelines 2019 along with the Green House Gas (GHG) Reporting Protocol – Corporate Standard and the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement:

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employed member of staff (average headcount).

Measures taken to improve energy efficiency:

The Covid 19 pandemic saw a very positive impact on the GHG emissions of the Group during 2020 as between 70% and 98% of staff primarily worked from home, conducting business remotely. Offices used considerably less fuel for heating, cooling and operation of equipment during this time. Whilst 2021 has seen an expected increase in GHG emissions as staff have returned to offices and business travel has re-commenced, they have not reached pre-pandemic levels.

Business travel has increased over 2021 figures but is still low compared to pre-pandemic levels and has been proactively managed through the introduction of hybrid working and well-established video-conferencing protocols.

The HSE requirement for offices to be ventilated to help combat coronavirus has resulted in thermal inefficiencies.

# SUCCESSION JERSEY LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

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It is hoped that new working practices introduced during the pandemic, such as the increased use of multi-platform video conferencing capabilities and the wider acceptance of digital signature technology will continue to drive a reduction in the need for business travel even after Covid 19 restrictions are lifted in 2021, however this exceptionally low level of GHG emissions is not anticipated to be repeated.

#### Principal Risks and Uncertainties

The Group has an Enterprise Risk Management Framework (ERMF), which it operates across all companies. The ERMF forms part of a strong governance culture built upon the three lines of defence governance model under which primary responsibility for identifying and controlling risks rests with the Group's businesses (the first line of defence). Ultimate responsibility for ensuring the adequacy and effectiveness of risk management rests with the Board, which provides oversight of material risks on a quarterly basis via a dedicated agenda item.

The Group is supported by the Risk & Compliance function which provides the second line of defence. The Risk & Compliance function is led by the Chief Risk Officer (CRO) who reports to the Group Chief Executive Officer. The CRO is a member of the Executive Committee, Chair of the Group Risk Committee, and a Director of the company.

The ERMF includes a risk taxonomy which identified four risk types most relevant to the business. These are strategic, financial, operational, and legal & regulatory risks. These risks and the key controls for each are summarised below and on the next page.

<i>Key Risk</i>	<i>Risk Description</i>	<i>Risk Mitigation</i>
<i>Strategic Risk</i>	<i>This is the risk of the current and prospective impact on earnings or capital resulting from an inappropriate or defective strategy.</i>	<i>A business plan is in place and performance against the plan is tracked through the monthly Group Finance Director's report which is reviewed by the Executive Committee, and bi-monthly by the Board.</i>
<i>Financial Risk</i>	<i>This is the risk of fluctuations in the value of, or income from, assets as a result of market movements, counterparties failing to meet obligations or liquidity issues (insufficient cash to meet obligations as they fall due).</i>	<i>Credit risk is not a significant risk for the company. The main risk is in relation to the failure of a material third party and this risk is monitored.</i>  <i>Market risk is assessed through stress testing the impact of scenarios such as severe macroeconomic events on capital and liquidity.</i>  <i>Liquidity risk is primarily related to cash flow. The company does not trade on its own account and so does not have exposure to intra-day liquidity risk. Client money and assets are held by third party custodians.</i>  <i>The Group is subject to financial covenants and compliance with these is monitored through the monthly finance pack.</i>

# SUCCESSION JERSEY LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

Key Risk (continued)	Risk Description (continued)	Risk Mitigation (continued)
Operational Risk	<i>This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. NB a global pandemic would fall into this category.</i>	<i>Operational risks such as process risks, information and cyber risk, business continuity and material third party risks and associated controls are reviewed on a regular basis.</i>  <i>A process is in place to record risk events (breaches and errors) and to investigate root causes so that controls can be enhanced.</i>  <i>Appropriate insurance cover is in place including in respect of Professional Indemnity, Directors and Officers and Employers Liability.</i>
Legal and Regulatory Risk	<i>This is the risk of an adverse financial impact, reputational damage, a breakdown of the regulatory relationship or fines or other sanctions being imposed as a result of noncompliance with emerging and/or existing laws and regulations including judgements made in respect of tax laws.</i>	<i>Compliance arrangements are in place and overseen by the Compliance Director who reports to the CRO. The CRO is responsible for ensuring effective engagement with regulators, particularly the FCA. Responses are made to requests from regulators including thematic reviews, and programmes are in place to prepare for regulatory changes.</i>  <i>Assessments in respect of taxes may include some positions where tax treatment has not yet been agreed with tax authorities. Management make an assessment in respect of tax matters based on discussions with taxation authorities, advice from legal and taxation advisers, and other available evidence.</i>

### Ultimate Controlling Party

Inflexion 2010 Buyout Fund LP and Inflexion 2010 Buyout Fund (No 2) LP collectively are both the majority shareholders of Succession Jersey Limited and the ultimate controlling parties.

### Future Developments and Post Balance Sheet Events

In December 2021, it was announced that Succession Group Ltd were to acquire the share capital of JCF Financial Services Limited, Bankhouse Financial Management Limited and Pannells Financial Planning Ltd. Further to this, in January 2022, it was announced that Succession Group Ltd were to acquire the share capital of The Oxford Advisory Partnership Limited. All of these deals are subject to FCA change of control and are expected to complete in H1 2022.

On 1 March 2022 Aviva Life Holdings UK Limited agreed to purchase the entire share capital of Succession Jersey Limited for a provisional amount of £385m. This is subject to change of control approval by the Financial Conduct Authority (FCA). Completion of the deal is expected to occur in H2 of 2022.

On behalf of the board



J Stevenson

Director

27 April 2022

# SUCCESSION JERSEY LIMITED

## DIRECTORS' REPORT

### *FOR THE PERIOD ENDED 31 DECEMBER 2021*

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The directors present their annual report and audited financial statements for Succession Jersey Limited (the 'company') for the period ended 31 December 2021.

#### **Principal activities**

The principal activity of the company is that of a holding company. The principal activity of the Succession Jersey Limited Group (the 'Group') continued to be that of an investment platform operator and a provider of financial services.

#### **Directors**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

P Gale	(Appointed 24 May 2021)
C Johnson	(Appointed 24 May 2021)
A Mainwaring	(Appointed 14 April 2021)
Ocorian Secretaries (Jersey) Limited	(Appointed 5 February 2021 and resigned 14 April 2021)
S Puddephatt	(Appointed 24 May 2021)
P Shaw	(Appointed 14 April 2021)
J Stevenson	(Appointed 24 May 2021)

#### **Going concern**

The directors confirm that they are satisfied both the company and the Group has adequate resources to continue its business for the foreseeable future and, on this basis, they continue to adopt the going concern basis in preparing the financial statements.

Further details are provided within note 1.3 of the accounting policies.

#### **Financing**

The Group's main banking facilities are held with Ares Management Limited with the support of HSBC Bank plc.

The Group also has in issue payment in kind ("PIK") notes and preference shares. At 31 December 2021, the PIK notes were due for repayment in tranches commencing on or after 28 July 2022, or earlier if the Group was sold. Post year end, the repayment of the PIK notes has been amended with them all now due to be repaid on 28 June 2023, or earlier if the Group was sold.

#### **Results and dividends**

The results for the period are set out on page 14 and the loss has been charged to reserves.

No ordinary dividends were paid in respect of the period ended 31 December 2021. The directors do not recommend payment of a further dividend.

#### **Post balance sheet event**

For further details of post balance sheet events see note 31.

# **SUCCESSION JERSEY LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **Independent auditors**

PricewaterhouseCoopers LLP were appointed as auditors to the Group and have indicated a willingness to continue in office.

### **Secretary**

The secretary of the company during the period ended 31 December 2021 and subsequently, was Ocorian Secretaries (Jersey) Limited. The secretary's registered office is 26 New Street, St Helier, Jersey, JE2 3RA.

### **Statement of directors' responsibilities**

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Jersey law and United Kingdom Accounting Standards, of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those 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 UK 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 group and company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 (Jersey) Law, 1991. 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 of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditors of the company are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditors of the company are aware of that information.

The annual report, and audited financial statements on pages 14 to 52, were approved by the board of directors and signed on its behalf by:



J Stevenson  
Director

27 April 2022

# **SUCCESSION JERSEY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SUCCESSION JERSEY LIMITED**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Succession Jersey Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's loss and the group's cash flows for the period from 5 February 2021 to 31 December 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group balance sheet and the company balance sheet as at 31 December 2021; the group statement of comprehensive income, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows for the period 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 group 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 group's and 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 group's and 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.



# **SUCCESSION JERSEY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SUCCESSION JERSEY LIMITED**

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#### **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 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.

#### **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, 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 group's and 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 group or 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, 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 Companies (Jersey) Law 1991. 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 posting inappropriate journal entries and management bias in accounting estimates.

# SUCCESSION JERSEY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SUCCESSION JERSEY LIMITED

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Audit procedures performed by the engagement team included:

- Identifying and testing journals, in particular to identify any entries posted with unusual account combinations;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Discussions with management to enquire into any known instances of non-compliance with laws and regulations and fraud;
- Reading board minutes for evidence of any breaches in regulations; and
- Incorporating an element of unpredictability into the audit procedures performed.

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](http://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 Article 113A of the Companies (Jersey) Law 1991 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.

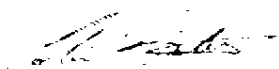
#### **Other required reporting**

##### *Companies (Jersey) Law 1991 exception reporting*

Under the Companies (Jersey) Law 1991 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
- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



**Colin Bates**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants**  
**Bristol**

29 April 2022  
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# SUCCESSION JERSEY LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

			Period ended 31 December 2021 £000
	Notes	£000	£000
<b>Turnover</b>	<b>3</b>		39,288
<i>Operating and administrative expenses:</i>			
General administrative expenses		(32,195)	
Goodwill and intangible asset amortisation	12	(4,974)	
Exceptional items	10	(22,794)	
<b>Operating and administrative expenses</b>			(59,963)
<b>Operating loss</b>	<b>4</b>		(20,675)
Interest receivable and similar income	8		3
Interest payable and similar expenses	9		(7,275)
<b>Loss before taxation</b>			(27,947)
Tax on loss	11		(722)
<b>Loss for the financial period</b>			(28,669)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.


# SUCCESSION JERSEY LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £000	£000
<b>Fixed assets</b>			
Goodwill	12		124,464
Other intangible assets	12		362
Total intangible assets			124,826
Tangible assets	13		1,154
			125,980
<b>Current assets</b>			
Debtors	15	13,679	
Cash at bank and in hand		6,064	
		19,743	
<b>Creditors: amounts falling due within one year</b>	16	(108,002)	
<b>Net current liabilities</b>			(88,259)
<b>Total assets less current liabilities</b>			37,721
<b>Creditors: amounts falling due after more than one year</b>	17		(107,566)
<b>Provisions for liabilities</b>	20		(10,648)
<b>Net liabilities</b>			(80,493)
<b>Capital and reserves</b>			
Called up share capital	22		1
Share premium account	24		4,485
Profit and loss reserves	24		(84,979)
<b>Total equity</b>			(80,493)

The financial statements on pages 14 to 52 were approved by the board of directors and authorised for issue on 27 April 2022 and are signed on its behalf by:

  
J Stevenson  
Director

# SUCCESSION JERSEY LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £000	£000
<b>Fixed assets</b>			
Investments	14		72,257
<b>Current assets</b>			
Debtors	15	26,778	
<b>Creditors: amounts falling due within one year</b>	16	(90,234)	
<b>Net current liabilities</b>			(63,456)
<b>Total assets less current liabilities</b>			8,801
<b>Capital and reserves</b>			
Called up share capital	22		1
Share premium account	24		4,485
Profit and loss reserves	24		4,315
<b>Total equity</b>			8,801

The financial statements on pages 14 to 52 were approved by the board of directors and authorised for issue on 27 April 2022 and are signed on its behalf by:



J Stevenson  
Director

Company Registration No. 133622 (Jersey)

# SUCCESSION JERSEY LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	Called up share capital £000	Share premium account £000	Profit and loss reserves £000	Total controlling interest £000	Non- controlling interest £000	Total equity £000
<b>Period since incorporation to 31 December 2021:</b>							
Issue of share capital							
- on incorporation	<b>22</b>	-	-	-	-	-	-
Issue of share capital	<b>22</b>	1	4,485	-	4,486	-	4,486
Acquisition of subsidiary companies	<b>23</b>	-	-	-	-	(25,378)	(25,378)
Non-controlling interest acquired	<b>23</b>	-	-	(63,905)	(63,905)	25,378	(38,527)
Loss and total comprehensive expense for the period		-	-	(28,669)	(28,669)	-	(28,669)
Share based payment credit	<b>19</b>	-	-	7,595	7,595	-	7,595
<b>Balance at 31 December 2021</b>		<u>1</u>	<u>4,485</u>	<u>(84,979)</u>	<u>(80,493)</u>	<u>-</u>	<u>(80,493)</u>

# SUCCESSION JERSEY LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	Called up share capital £000	Share premium account £000	Profit and loss reserves £000	Total equity £000
<b>Period since incorporation to 31 December 2021:</b>					
Issue of share capital - on incorporation	22	-	-	-	-
Issue of share capital	22	1	4,485	-	4,486
Loss and total comprehensive expense for the period		-	-	(3,281)	(3,281)
Share based payment credit	19	-	-	7,596	7,596
<b>Balance at 31 December 2021</b>		<u>1</u>	<u>4,485</u>	<u>4,315</u>	<u>8,801</u>

# SUCCESSION JERSEY LIMITED

## GROUP STATEMENT OF CASH FLOWS

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

		2021	
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Cash generated from operations	29		4,939
Taxation paid			(743)
<b>Net cash generated from operating activities</b>			<u>4,196</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(168)	
Purchase of subsidiaries		(3,158)	
Purchase of other intangible assets		(97)	
Cash acquired on acquisition of subsidiaries		7,449	
<b>Net cash generated from investing activities</b>			<u>4,026</u>
<b>Financing activities</b>			
Loans issued		(182)	
Proceeds from bank loans		9,020	
Repayment of borrowings		(2,386)	
Interest paid		(2,451)	
Redemption of preference shares		(6,159)	
<b>Net cash used in financing activities</b>			<u>(2,158)</u>
<b>Net increase in cash and cash equivalents</b>			<u>6,064</u>
Cash and cash equivalents at beginning of period			-
<b>Cash and cash equivalents at end of period</b>			<u><u>6,064</u></u>



# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Succession Jersey Limited ("the company") is a private limited company domiciled and incorporated in Jersey. The company was incorporated on 5 February 2021 and its registered office is 26 New Street, St Helier, Jersey, JE2 3RA.

The Group consists of Succession Jersey Limited and all of its subsidiaries. All of the Group's revenue is generated outside of the company's country of domicile.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies (Jersey) Law 1991.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by Article 105 of the Companies (Jersey) Law 1991, the company has not presented its own statement of comprehensive income and related notes. The company's loss for the period was £3.28m.

#### **1.2 Basis of consolidation**

These financial statements cover the period from 5 February 2021 (date of incorporation) to 31 December 2021.

The consolidated financial statements incorporate those of Succession Jersey Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.3 Going concern

The directors confirm that they are satisfied that the Group has adequate resources to continue its business for the foreseeable future and, on this basis, they continue to adopt the going concern basis in preparing the financial statements. In reaching this conclusion the directors have assessed the Group's 2022-2023 forecast results using 2 additional scenarios:

- Business plan excluding acquisitions
- Business plan flexed for market downturn

The market downturn model tests the budget under severe but realistic conditions and is based on the following assumptions:

- No market improvement in the FTSE from 31 December 2021
- £0.5bn of assets lost in 2023
- Non-achievement of various cost-saving initiatives

The directors were able to conclude that, even using a market downturn scenario, the Group would remain compliant with all FCA capital and external loan covenant requirements and that the Group would remain a going concern for the coming 12 months.

On 1 March 2022 Aviva Life Holdings UK Limited agreed to purchase the entire share capital of Succession Jersey Limited, pending change of control approval with the FCA. Initial discussions with Aviva have given no indication that the group will be broken up or altered in any way that could impact the ability to continue as a going concern for the coming 12 months. No increased going concern risk has been identified.

##### 1.4 Turnover

Turnover shown in the statement of comprehensive income represents amounts receivable in respect of services provided in the period. This is shown net of VAT and other sales related taxes. Turnover from the provision of services is recognised when the service has been completed, the amount of turnover can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Provision for repayment of indemnity commission in the event that the policy may lapse is made in these Group financial statements.

##### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is estimated to be 13 years.

Where a parent increases its controlling interest in a subsidiary, no fair value adjustments and no additional goodwill are recognised. The transaction is instead accounted for as a transaction between equity holders. Any difference between the consideration payable and the non-controlling interest acquired is recognised directly in equity.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from business combinations are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Other intangible assets	3-10 years
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#### 1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	3 years
Fixtures, fittings and equipment	3 years

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 recognised in the profit and loss account.

#### 1.8 Fixed asset investments

In the parent company's financial statements, investments in subsidiaries, entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.9 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its fixed asset investments, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments (continued)

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments (continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.13 Taxation

##### **Current tax**

Current tax is based on taxable profit/loss for the period. Taxable profit/loss differs from net profit/loss as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.14 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the statement of comprehensive income for the period in which it arises.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### Preference share option schemes

Any expected payments under preference share option schemes are accrued evenly throughout the holder's service period up until the expected exercise date.

All preference share options are exercisable at Succession Jersey Limited level. As the services are provided by the option holders to the trading subsidiary companies of the Group, any accrued liabilities are capitalised as an increase to the investment balance held for trading subsidiaries. This represents the additional contribution made by the parent entity to its subsidiaries. In the consolidated financial statements the liabilities are recognised as exceptional items in the profit and loss.

##### 1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are expensed on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### 1.18 Share based payments

##### Equity shares

Where equity shares are awarded to employees, the fair value of the shares at the date of the grant is charged to profit and loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of shares that eventually vest. There are no market vesting conditions or non-vesting conditions attached to any share awards made by the Group.

Where equity shares are awarded to persons other than employees, the profit and loss account is charged with the fair value of services received. All equity share issues have been completed by the Group's parent entity, Succession Jersey Limited.

In the parent's individual financial statements, no share based payment charges have been recognised as the shareholders services are not being provided to Succession Jersey Limited. In accordance with FRS 102 the parent entity instead recognises an increase to the fixed asset investment in subsidiaries as a capital contribution, and a credit to equity.

Within the consolidated financial statements the transaction is treated as an equity-settled share based payment as the group has received services in consideration for the Group's equity instruments. The charge is recognised evenly over the vesting period with a credit recognised within equity.



# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### 2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements and estimates**

The following have had the most significant effect on amounts recognised in the financial statements.

#### ***Goodwill***

The Group has given consideration to its goodwill and considers it appropriate that the useful life is 13 years from the acquisition date of these assets by any member of the Succession group of companies.

For the purposes of impairment consideration, cash-generating units to which goodwill has been allocated are considered for impairment at least annually, or more frequently when there is an indication that the unit may be impaired.

#### ***Investments in subsidiaries***

Annually, the directors consider whether the investment value held in subsidiaries on the parent company's own balance sheet is impaired. Where an indication of impairment is identified, an estimation of fair value less costs to sell is required, in order to quantify the impairment.

This calculation uses forecast recurring revenue figures and acquisition multiples for similar businesses obtained from external industry specialists, both of which require management's judgement. No impairment charge has been made through the Group accounts in the current period.

#### ***Provisions for liabilities and charges***

A provision of £10.4m is included for potential liabilities in respect of compensation owed to clients who received defined benefit pension transfer advice, which has subsequently been deemed not to be in the client's best interests. The advice was given by a firm prior to its acquisition by the Succession Jersey Limited Group and the Group has been working closely with the FCA and independent third party advisers to undertake a review and to compensate clients where necessary.

Case reviews, all of which have now been completed, have been undertaken by specialist third party file reviewers to determine whether, in each case, the advice received was in the client's best interests. Where the conclusion of that review is that the advice was not in the client's best interests, then compensation is being calculated independently by a firm of consulting actuaries. While work on the calculation of compensation payments has commenced, this work is in its early stages. Management have therefore calculated a provision based on modelling of potential compensation costs undertaken by a third party firm of consulting actuaries. The modelling includes the use of a range of scenarios determined with input from Management, combined with a number of actuarial assumptions, to determine a prudent estimate of potential compensation costs. The directors view, based on the actuarial estimate and known cases, is that the actual range of outcomes lies between £9.0m and £11.0m.

#### ***Share based payment charge***

A share based payment charge has been recognised in the current year upon the issue of shares to employees by Succession Jersey Limited. The fair value of each share award was calculated internally by the directors. The total share-based remuneration expense of £7.6m has been accrued evenly up until the expected vesting date being 30 September 2022.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### ***Preference share options***

The preference share options granted in the period have been treated as employee benefit costs under section 28 of FRS102 and not Share based payments under section 26. The rules of the schemes have fixed the value of these options and therefore any associated future cash payments are not driven or impacted by movements in the group's share price.

The expected exercised amount is being accrued evenly over the service period of the holder and up to the anticipated exercise date. The total employee benefits charge for the period is £5.5m. The directors have considered the exercise date to be 30 September 2022, this is because all options are payable upon the sale of shares in Succession Jersey Limited to an external party. Given the Aviva deal noted in the post balance sheet event note, the directors' best estimate is that completion will occur on 30 September 2022.

##### ***D1 preference shares exercise date and employee benefits***

As part of the restructure in the period, the non-controlling interest was acquired by the Group. The ultimate consideration for these shares was D1 preference shares SJL. The fair value of the non-controlling interest, as determined by the directors, was £26.57 per share.

Any D1 preference shares issued in excess of the fair value have been treated as employee benefit costs under section 28 of FRS102 and not share based payments under section 26. The D1 preference share values are fixed and not impacted by movements in the Group's share price. The liability is being accrued evenly up to the expected vesting date, being 30 September 2022.

The directors have considered the repayment date to be 30 September 2022, this is because all D1 preference shares are payable upon the sale of shares at Succession Jersey Limited to an external party. Given the Aviva deal noted in the post balance sheet event note, the directors' best estimate is that completion will occur on 30 September 2022.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue

	2021 £000
<b>Turnover analysed by class of business</b>	
Financial advisory	32,553
Investment platform	6,735
	<u>39,288</u>
	2021 £000
<b>Turnover analysed by geographical market</b>	
UK	<u>39,288</u>

### 4 Operating loss

	Notes	2021 £000
Operating loss for the period is stated after charging:		
Depreciation of owned tangible fixed assets	13	442
Amortisation of goodwill	12	4,788
Amortisation of other intangible assets	12	186
Exceptional items	10	22,794
Hire of machinery or equipment		29
Operating lease charges		<u>530</u>

### 5 Auditors' remuneration

	2021 £000
Fees payable to the Group's auditors:	
<b>For audit services</b>	
Auditors' remuneration for audit services for the company	36
Auditors' remuneration for audit services for the company's subsidiaries	244
	<u>280</u>
<b>For other services</b>	
Other assurance services	27
Taxation services	28
All other non-audit services	80
	<u>135</u>

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 6 Employees

The average monthly number of persons (including directors) employed by the Group during the period was:

	<b>2021</b> <b>Number</b>
Support staff	414
Financial advice and Investment management	70
Total	<u>484</u>

Their aggregate remuneration comprised:

	<b>2021</b> <b>£000</b>
Wages and salaries	11,553
Social security costs	1,245
Company pension contributions to defined contribution schemes	352
Equity shares (share based payment)	4,572
Preference shares and options (employee benefits)	1,306
	<u>19,028</u>
Redundancy payments made or committed to (included in above)	<u>127</u>

There is no payroll within Succession Jersey Limited (company only). As a result, there is no expense at a company only level in 2021. Instead employees, including directors, are all remunerated by subsidiaries within the Group.

A defined contribution pension scheme is operated at Group level for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

An unapproved employee share option scheme was in place for qualifying individuals in Succession Group Ltd. At the start of 2021 there were 100,424 share options in issue. During 2021, and prior to the restructuring in the current period, 5,455 options were cancelled and 19,062 new options were granted. The final number of options in issue at the restructure date was 114,031. The scheme closed during the year and option holders were given preference share options in Succession Jersey Limited in the same proportion as their holding of options in the previous scheme.

A number of preference share options have been granted in the period. Further details on the class and number of options granted can be found in note 18. In addition to this a number of equity shares have been issued in the period. Further details on the class and number of shares issued can be found in note 19.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 7 Directors' remuneration

	2021 £000
Remuneration for qualifying services	606
Company pension contributions to defined contribution schemes	22
Equity shares (share based payment)	3,324
Preference shares and options (employee benefits)	1
	<u>3,953</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £000
Remuneration for qualifying services	226
Company pension contributions to defined contribution schemes	10
Equity shares (share based payment)	1,890
	<u>2,126</u>

The above represents the total remuneration received by the directors for their work within the Group.

The directors are remunerated through subsidiary companies and where applicable, recharges of director costs are made between Succession group entities.

During the period, the directors of Succession Jersey Limited received a total of 10,937 equity shares for their services within the Group. A total share based payment charge of £3.3m has been recognised in these financial statements and disclosed as an exceptional cost.

In 2021 there were 3 directors receiving the benefit of Group contributions to pension schemes.

### 8 Interest receivable and similar income

	2021 £000
Interest income	
Interest on bank deposits	3
	<u>3</u>

### 9 Interest payable and similar expenses

	2021 £000
Interest on bank overdrafts and loans	2,697
Preference dividends payable 6.62p per share	1,687
Interest on PIK loan notes	2,891
	<u>7,275</u>

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

### 10 Exceptional items

	<b>2021</b>
	<b>£000</b>
Integration and restructuring	495
Preference shares and options (employee benefits)	13,360
Equity shares (share based payment)	7,596
PAYE on equity shares	1,129
Other	214
	<u>22,794</u>

The integration and restructuring costs are predominantly costs incurred as part of the group restructure in the current year. This is a mixture of legal and professional fees as well as settlement and redundancy payments. More details surrounding the restructure are given in the Strategic Report.

There are a number of share based payment charges and employee benefit charges as explained in note 18.

As explained in note 19, a number of equity shares have been issued in the period. The PAYE on equity shares reflects all taxes owed to HMRC by the Group in respect of this.

Other costs include aborted acquisition costs due to failings identified in the due diligence process, and onerous lease/dilapidation costs on property lease terminations.

### 11 Tax on loss

	<b>2021</b>
	<b>£000</b>
<b>Current tax</b>	
UK corporation tax on profits for the current period	119
	<u>          </u>
<b>Deferred tax</b>	
Origination and reversal of timing differences	603
	<u>          </u>
<b>Total tax charge</b>	<u>722</u>

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 11 Tax on loss

(Continued)

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	<b>2021</b>
	<b>£000</b>
Loss before taxation	(27,947)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(5,310)
Tax effect of expenses that are not deductible in determining taxable profit	5,413
Impact of changes in tax rates	10
Impact of losses on deferred tax	609
Total tax charge	722

The Finance Bill 2021 was enacted in May 2021, which maintains the main rate of UK corporation tax rate at 19% until 31 March 2023, and increases the rate to 25% with effect from 1 April 2023. Deferred tax balances that are expected to unwind after 1 April 2023 have therefore been measured at 25%.

#### 12 Intangible fixed assets

Group		Goodwill	Other intangible assets	Total
	Note	£000	£000	£000
<b>Cost</b>				
Additions		-	97	97
Additions - business combinations	23	128,864	451	129,315
Adjustments to previous acquisitions		388	-	388
Disposals		-	(16)	(16)
At 31 December 2021		129,252	532	129,784
<b>Accumulated amortisation and impairment</b>				
Amortisation charged for the period		4,788	186	4,974
Disposals		-	(16)	(16)
At 31 December 2021		4,788	170	4,958
<b>Carrying amount</b>				
At 31 December 2021		124,464	362	124,826

The company had no intangible fixed assets at 31 December 2021.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 12 Intangible fixed assets

(Continued)

All acquisitions include an amount of deferred consideration which is estimated at the time of purchase and is predominantly based on the performance of the purchased entity over a predetermined future period. The actual amount paid can vary depending on the business performance and this movement is reflected in the adjustments to previous acquisitions line above.

### 13 Tangible fixed assets

Group	Leasehold improvements	Fixtures, fittings and equipment	Total
	£000	£000	£000
<b>Cost</b>			
Additions	-	168	168
Additions - Business combinations	380	1,048	1,428
Disposals	(243)	(292)	(535)
At 31 December 2021	137	924	1,061
<b>Accumulated depreciation and impairment</b>			
Depreciation charged in the period	162	280	442
Eliminated in respect of disposals	(243)	(292)	(535)
At 31 December 2021	(81)	(12)	(93)
<b>Carrying amount</b>			
At 31 December 2021	218	936	1,154

The company had no tangible fixed assets at 31 December 2021.

There were no assets held under finance leases, capitalised and included in tangible assets at period-end within the Group.

### 14 Investments

	Note	Company 2021 £000
Investments in subsidiaries	27	72,257

During the period the company acquired 100% of the share capital of Succession Finance Jersey Limited. This acquisition formed part of the restructure in the current period and further details are given within note 23.

There have been a number of preference shares issued by the company during the period. These shares were issued to people providing services to subsidiary companies and therefore the value issued has been accounted for as an increase to investments in subsidiary companies.

The directors consider the value of the investment to be supported by its future expected cash flows.



# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 14 Investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£000

#### Cost

Additions

72,257

At 31 December 2021

72,257

#### Carrying amount

At 31 December 2021

72,257

### 15 Debtors

Group  
2021  
£000

Company  
2021  
£000

#### Amounts falling due within one year:

Trade debtors

4,873

-

Corporation tax recoverable

1,019

-

Amounts owed by group undertakings

-

26,751

Other debtors

1,347

-

Prepayments and accrued income

4,536

27

11,775

26,778

Amounts owed by group and parent undertakings are interest-free, unsecured, without any guarantee and repayable on demand.

Group  
2021  
£000

Company  
2021  
£000

#### Amounts falling due after more than one year:

Note

Loans receivable

332

-

Corporation tax recoverable

465

-

Prepayments and accrued income

3

-

800

-

Deferred tax asset

21

1,104

-

1,904

-

Total debtors

13,679

26,778

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 16 Creditors: amounts falling due within one year

	Note	Group 2021 £000	Company 2021 £000
Bank and other borrowings	18	93,215	88,687
Trade creditors		253	-
Amounts owed to group undertakings		-	1,363
Other taxation and social security		2,835	-
Other creditors		1,942	-
Accruals and deferred income		9,757	184
		<u>108,002</u>	<u>90,234</u>

Amounts owed to group and parent undertakings are interest-free, unsecured, without any guarantee and repayable on demand.

#### 17 Creditors: amounts falling due after more than one year

	Note	Group 2021 £000	Company 2021 £000
Bank and other borrowings	18	<u>107,566</u>	<u>-</u>

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 18 Bank and other borrowings

	Group 2021 £000	Company 2021 £000
Bank loans	69,089	-
Redeemable preference shares	86,927	86,927
Redeemable preference share options	1,760	1,760
PIK loan notes	42,009	-
Other loans	996	-
	<u>200,781</u>	<u>88,687</u>
Payable within one year	93,215	88,687
Payable after one year	107,566	-
	<u>200,781</u>	<u>88,687</u>

All borrowings are denominated in sterling

#### Bank loans

The banking arrangement consists of five facilities as follows:

- Term loan A: repayable 6 years from initial drawdown, interest is charged between "SONIA plus CAS plus 2.25%" and "SONIA plus CAS plus 2.75%."
- Term loan B: repayable 7 years from initial drawdown, interest is charged between "SONIA plus CAS plus 6.25%" and "SONIA plus CAS plus 7.75%."
- Term loan C: repayable 7 years from initial drawdown, interest is charged between "SONIA plus CAS plus 6.25%" and "SONIA plus CAS plus 7.75%."
- Revolving facility: repayable 6 years from initial drawdown, interest is charged between "SONIA plus CAS plus 2.25%" and "SONIA plus CAS plus 2.75%."
- Acquisition facility: repayable 7 years from initial drawdown, interest is charged between "SONIA plus CAS plus 6.25%" and "SONIA plus CAS plus 7.75%."

The CAS (Credit Adjustment Spread) is determined by the interest period length on the facilities. It is charged as follows:

- Interest period of one month: 0.0326%
- Interest period of three months: 0.1193%
- Interest period of six months: 0.2766%

There are both fixed and floating charges over assets of the Group given in favour of the lenders. This security is guaranteed by three entities within the Succession Jersey Limited Group.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 18 Bank and other borrowings

(Continued)

#### Redeemable preference shares

31 December 2021 by share type:

Type	Nominal value	Nominal value £000	Accrued dividend £000	2021 Total £000
A preference shares	£1 each	22,986	19,335	42,321
B preference shares	£1 each	1,767	1,486	3,253
C preference shares	£1 each	739	622	1,361
D1 preference shares	£1 each	39,992	-	39,992
		<u>65,484</u>	<u>21,443</u>	<u>86,927</u>

#### Reconciliation of movements during the period

	A preference shares Number	B preference shares Number	C preference shares Number	D1 preference shares Number
On incorporation	-	-	-	-
Issue of fully paid shares	22,986,000	1,767,000	739,000	55,227,429
Redemption of fully paid shares	-	-	-	(2,992,565)
Cancellation of fully paid shares	-	-	-	(1,196,980)
At 31 December 2021	<u>22,986,000</u>	<u>1,767,000</u>	<u>739,000</u>	<u>51,037,884</u>
	£000	£000	£000	£000
Employee benefit charge to Profit and Loss	-	-	-	7,821

The company liability in respect of preference shares as at 31 December 2021 is the same as the Group.

#### A, B and C preference shares

The A, B and C preference shares are redeemable on 29 July 2024, or earlier if the group is sold. The preference shares are entitled to a fixed cumulative dividend of 8.00% with dividends capitalised annually on 28 January each year. As explained within the note 23, these preference shares were issued to reinvesting Succession Holdings Jersey Limited (previous TopCo of the Group) preference share holders to clear debt owed to them by the company. There are no service conditions attached to these preference shares.

#### D1 preference shares

The D1 preference shares were issued as consideration to acquire the non-controlling interest that existed within the group. More details behind the transaction are provided in note 23. On consolidation, the difference between the value paid and net liabilities acquired has been recognised directly in retained earnings. This difference amounted to £63,904k.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### 18 Bank and other borrowings

(Continued)

The shares are redeemable on 29 July 2024, or earlier if the Group is sold. In addition, an offer will be made to holders to redeem a proportion of their D1 preference shares on the following dates and prices (these redemptions are subject to the Group having attained such targets as the Board in its sole discretion shall determine from time to time):

- 30 September 2021: redeem up to 10% of D1 preference shares at a 75% subscription price
- 30 September 2022: redeem up to 10% of D1 preference shares at a 75% subscription price
- 30 September 2023: redeem up to 10% of D1 preference shares at a 75% subscription price

The D1 preference shares do not carry any right to receive dividends.

The redemption of 2,992,565 D1 preference shares in the year reflects the impact of the 30 September 2021 liquidity event. Cash was paid on the redemption of £2,371k with holders paying a discount of £622k. The discount of £622k has been recognised in the Profit and Loss for the period as an exceptional item credit.

The cancellations in the period of 1,196,980 relate to historical loans issued to holders that had been previously written off by the group. As agreed, the group were able to claw back any value issued in D1 preference shares to mitigate these write offs. The full amount of £1,196k has been recognised in the Profit and Loss for the period as an exceptional item credit.

#### **Redeemable preference share options**

There are two redeemable preference share options schemes in place that are within the scope of Section 28 (employee benefits) of FRS 102. Option holders are a mixture of employed and self employed individuals. The value of the preference share options is fixed and once exercised must be redeemed in full. There is no impact on the option value for any movements in the Group's share price and therefore they do not constitute share based payment arrangements.

Preference share option holders must continue to provide services to the Group up until the relevant exercise date or risk losing their right to the options. This is at the discretion of the Group's board of directors. Payments are accrued evenly throughout the holders service period up until the expected exercise date. Pre-determined exercise dates are in place although these can be altered at the discretion of the board. Specifics on each scheme are detailed below. The board use their best estimate of the likely exercise dates when accruing any liabilities.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 18 Bank and other borrowings

(Continued)

#### D2 preference share options

The D2 preference share options were granted by the group upon cancellation of another share option scheme within a subsidiary company. The number of options granted was determined using industry valuation multiples and exercise prices on the pre-existing option scheme.

These options are redeemable on 29 July 2024, or earlier if the Group is sold. In addition, an offer will be made to holders to exercise (& mandatorily redeem) a proportion of their D2 preference share options on the following dates and prices (these redemptions are subject to the Group having attained such targets as the Board in its sole discretion shall determine from time to time):

- 30 September 2021: redeem up to 10% of D2 preference shares at a 75% subscription price
- 30 September 2022: redeem up to 10% of D2 preference shares at a 75% subscription price
- 30 September 2023: redeem up to 10% of D2 preference shares at a 75% subscription price

#### E preference share options

The E preference share options were granted by the group as compensation for a change in planner payment terms. The total number of options granted was based on the difference between a planner's terms and conditions before and after the change.

These options are redeemable on 29 July 2024, or earlier if the group is sold. In addition, an offer will be made to holders to exercise (& mandatorily redeem) a proportion of their E preference share options on the following dates and prices (these redemptions are subject to the Group having attained such targets as the Board in its sole discretion shall determine from time to time):

- 30 September 2021: redeem up to 70% of E preference shares at a 75% subscription price
- 30 September 2022: redeem up to 30% of E preference shares at a 75% subscription price
- 30 September 2023: redeem up to 0% of E preference shares at a 75% subscription price

Once options are exercised they must be immediately redeemed. The D2 and E preference shares do not carry any right to receive dividends.

31 December 2021 by share type:

		<b>2021 Total £000</b>
<b>Preference share options</b>	<b>Exercise value</b>	
D2 preference share options	£1 in aggregate per option holder	501
E preference share options	£1 in aggregate per option holder	1,259
		<hr/>
		1,760
		<hr/>

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

### 18 Bank and other borrowings

(Continued)

#### Reconciliation of movements during the period

	D2 preference share options	E preference share options
	Number	Number
On incorporation	-	-
Options granted in the period	1,309,370	7,891,460
Options exercised in the period	(57,111)	(4,698,602)
Options cancelled in the period	(282)	(64,212)
	<u>1,251,977</u>	<u>3,128,646</u>
	£000	£000
Employee benefit charge to Profit and Loss	<u>544</u>	<u>4,995</u>

Under the rules of both schemes, as soon as an option is exercised, it must be immediately redeemed and paid. The liability included within bank and other borrowings at 31 December 2021 is the amount accrued to date in respect of the anticipated options to be exercised in September 2022.

The company liability in respect of preference share options as at 31 December 2021 is the same as the Group.

#### PIK notes

The PIK note loans are represented by payment in kind ("PIK") loan notes issued by the company's finance subsidiary, Succession Finance Jersey Limited. At 31 December 2021 the PIK notes are unsecured, repayable in tranches commencing on or after 28 June 2022 or, if earlier, on the sale or other change of control of the company. Post year-end the repayment of the PIK notes has been amended with all now due to be repaid on 28 June 2023, or earlier if the Group is sold.

The PIK notes bear interest at 12.00% or 20.00% per annum which may, at the subsidiary's option, be settled on repayment of the PIK notes or earlier.

#### Other loans

Other loans represent financing which is unsecured, wholly repayable within one year and bears interest at rates between 2.46% and 3.97% per annum.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 19 Share based payments

Succession Jersey Limited operates an equity-settled share-based remuneration scheme for qualifying employees and external service providers.

The equity-settled scheme is open to key management personnel and senior service providers only, the only vesting condition being that individuals remain employed/contracted with the group until an "Exit Event" occurs. The number of shares issued as remuneration in the period is as follows:

	<b>Number</b>
D ordinary shares	12,500
E ordinary shares	3,120
J ordinary shares	9,375
	<hr/>
Total	24,995
	<hr/>

The fair value of each share award was calculated internally by the directors. At 31 December 2021 the directors best estimate of the final vesting date was 30 September 2022.

The total equity settled share-based remuneration expense for the period is £7.6m.

In the parent's individual financial statements, no share based payment charges have been recognised as the shareholders services are not being provided to Succession Jersey Limited. In accordance with FRS 102 the parent entity instead recognises an increase to the fixed asset investment in subsidiaries as a capital contribution, and a credit to equity.

Within the consolidated financial statements the transaction is treated as an equity-settled share based payment as the group has received services in consideration for the Group's equity instruments. The charge is recognised evenly over the vesting period with a credit recognised within equity.

Any employment taxes owed by the Group in respect of the above share issues, have been recognised as an exceptional cost in the period and included within creditors as Other taxation and Social Security. The total value accrued is £1.6m.

There are no equity option schemes in place.

#### 20 Provisions for liabilities

	<b>Group 2021 £000</b>
Clawback	94
Onerous leases	148
Defined Benefit Transfer (DBT)	10,406
	<hr/>
	10,648
	<hr/>



# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 20 Provisions for liabilities

(Continued)

A provision has been recognised for potential clawback on products sold during the last seven financial years. It is expected that most of this expenditure will be incurred in the next financial year, and all will be incurred within four years of the balance sheet date.

Costs on property lease terminations have also been included within provisions. These costs will be incurred in the next financial year.

A provision has been recognised for potential liabilities in respect of compensation owed to clients who received defined benefit pension transfer advice, which has subsequently been deemed not to be in the client's best interests. Further information is provided in note 2 (judgements and key sources of estimation uncertainty). The directors view, based on actuarial estimate that, based on known cases, the actual range of outcomes lies between £9m and £11m.

There were no provisions in Succession Jersey Limited as a single entity.

Movements on provisions:

	Clawback	Onerous leases	DBT	Total
Group	£000	£000	£000	£000
On acquisition	92	9	10,406	10,507
Additional provisions in the period	122	358	-	480
Utilisation of provision	(120)	(219)	-	(339)
At 31 December 2021	94	148	10,406	10,648

### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2021 £000
Group	
Fixed asset timing differences	198
Short term timing differences	44
Tax losses	862
	1,104

The company has no deferred tax assets or liabilities.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

### 21 Deferred taxation

(Continued)

	Group 2021 £000
<b>Movements in the period:</b>	
On acquisition	1,707
Charge to profit or loss	(603)
	<hr/>
Asset falling due after more than 1 year at 31 December 2021	1,104
	<hr/>

The deferred tax asset set out above is not expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

### 22 Called up share capital

Group and  
company  
2021  
£000

#### Ordinary share capital

##### Issued and fully paid

66,753 A Ordinary shares of 1p each	1
18,223 B Ordinary shares of 1p each	-
15,024 C Ordinary shares of 1p each	-
12,500 D Ordinary shares of 1p each	-
3,120 E Ordinary shares of 1p each	-
9,375 J Ordinary shares of 1p each	-
	<hr/>
	1
	<hr/>

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 22 Called up share capital

(Continued)

##### Reconciliation of movements during the period:

	Ordinary shares Number	A Ordinary shares Number	B Ordinary shares Number	C Ordinary shares Number
On incorporation	1	-	-	-
Redesignated during the period	(1)	1		
Shares issued during the period	-	66,752	18,223	15,024
	<u>-</u>	<u>66,753</u>	<u>18,223</u>	<u>15,024</u>
At 31 December 2021	<u>-</u>	<u>66,753</u>	<u>18,223</u>	<u>15,024</u>
		D Ordinary shares Number	E Ordinary shares Number	J Ordinary shares Number
On incorporation		-	-	-
Shares issued during the period		12,500	3,120	9,375
		<u>12,500</u>	<u>3,120</u>	<u>9,375</u>
At 31 December 2021		<u>12,500</u>	<u>3,120</u>	<u>9,375</u>

Any dividend to be paid to shareholders will be distributed equally amongst the equity shareholders as if the equity shares constituted one class of shares according to the number of equity shares held by them respectively.

In the event of a sale or change of control of the company or of the Group there are provisions in the Articles to determine the apportionment of amounts receivable by all shareholders including preference shareholders.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 23 Acquisitions

The company acquired the entire share capital of the Succession Finance Jersey Limited group on 8 July 2021 from Succession Holdings Jersey Limited (SHJL). All shareholders of SHJL (both preference and equity shares) were given the option to reinvest in the new TopCo, SJL. SHJL paid a dividend per share of 45p to all equity shareholders which was determined based on the value of the SHJL group pre-sale.

Those shareholders choosing not to reinvest were given cash and all those choosing to re-invest, including all preference shareholders, were re-issued shares in proportion to their original SHJL shareholdings.

Only a small minority of SHJL equity shareholders did not reinvest in SJL and SJL subsequently issued preference and equity shares to clear the debt owed to the reinvesting shareholders. These share issues were based on the same composition of shares originally held in SHJL. Each ordinary share issued had a nominal value of 1p, which cleared a total aggregate debt value of £4.5m, the majority of which has been recognised within share premium in the period. The total debt replaced with preference shares amounted to £45.2m.

The total consideration was £51.3m, there is no contingent consideration. Details of the resulting amount of goodwill arising from the purchase is set out below. The purchase has been accounted for using the acquisition method.

#### Post-acquisition part-year results of acquired groups

Succession Finance Jersey Limited Group	£000
Turnover	39,288
Loss after tax	21,285
Acquisition date	8 July 2021

The above group consists of the following companies:

Caledonia Financial Planning Ltd*	Succession Benefit Solutions LLP*
Campbell Dallas Financial Services Ltd*	Succession Employee Benefit Solutions Ltd
Ellaby Pollard Limited*	Succession Finance Jersey Limited
Highcliffe Financial Management Limited*	Succession Financial Management Limited
Investors Planning Associates Limited	Succession Group Ltd
Killermont Investments Limited*	Succession Holdings Ltd
Langham Pensions & Investments Limited*	Succession Newco1 Jersey Limited
LRH Wealth Management Limited*	Succession Newco2 Jersey Limited
Mackenzie Investment Strategies Ltd	Succession Wealth Management Limited
Mellor Associates Limited*	TMS Financial Solutions Limited*
Paul Jones Financial Services Limited*	Warde Graham Consulting Limited*
Plan 4 Wealth Limited*	Warwick Butchart Associates Limited*
Sigma Wealth Strategies Limited*	Winter Financial Services Limited*
Succession Advisory Services Limited	

\*company is currently in members voluntary liquidation

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

### 23 Acquisitions

(Continued)

#### Summary of acquisition balance sheet

<b>Succession Finance Jersey Limited Group</b>	<b>£000</b>
Intangibles	451
Tangible assets	1,428
Debtors	16,046
Deferred tax asset	1,707
Cash	7,449
Creditors <1 year	(24,668)
Creditors > 1 year	(94,848)
Provisions	(10,507)
Non-controlling interest	25,378
<b>Total net liabilities acquired</b>	<b>(77,564)</b>
Goodwill	128,864
<b>Total consideration</b>	<b>51,300</b>
<u><b>Total consideration</b></u>	
	<b>£000</b>
Deferred consideration	51,255
Cash	45
<b>Total consideration</b>	<b>51,300</b>

The book values of the assets and liabilities have been taken from management accounts and related accounting records of the group concerned at the acquisition date.

All Goodwill and Customer List intangibles have been written off to £nil on the acquisition balance sheet. This is because the fair value of these assets could not be reliably measured at the acquisition date. No other fair value adjustments were required.

#### Non-controlling interest:

A portion of the Group at acquisition was owned by non-controlling interests. The non-controlling interest represented SGL B ordinary shares owned by individuals and companies that were not Succession Group entities. The acquisition of SFJL met the definition of an "Exit Event" as determined by article 50.1 of SGL's articles. Technically, the "Exit Event" triggered the drag-along provisions under article 50.3 of the SGL B shareholders which would have resulted in SGL's immediate parent entity Succession Holdings Ltd (SHL) acquiring 100% of the SGL B shares not already owned by SHL. The drag along provisions were not required as all B Shareholders signed a power of attorney agreeing to the transfer of their shares to SHL. The total non-controlling interest acquired had a value of £25.4m, which represents the cumulative non-controlling interest of profits and losses to date within the SHJL Group. No fair-value adjustment was made at the acquisition date.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 23 Acquisitions

(Continued)

The acquisition of the non-controlling interest increases the value of an existing subsidiary of the group. *No additional goodwill is recognised on step acquisitions of this type where the entity is already a subsidiary*, instead the difference between the consideration paid and the value of the non-controlling interest at acquisition date is recognised directly within equity. This difference amounts to £63.9m. The payment to acquire the non-controlling interest was completed through a roll up process whereby the SGL B shareholders were ultimately issued D1 redeemable preference shares in the new parent entity SJL as consideration for their shares (the roll up was completed via a series of puts and calls of consideration loan notes).

### 24 Reserves

#### Share premium account (Group and Company)

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

#### Profit and loss reserves (Group and Company)

This reserve includes all current period retained profits and losses.

### 25 Contingent liabilities

As explained in note 20 (provisions for liabilities), a provision has been included for potential liabilities in respect of compensation owed to clients who received defined benefit pension transfer advice from a firm prior to its acquisition by Succession Group Ltd. Following a detailed review, some of these advice cases have been found not to be in the client's best interests. While every effort has been made to contact clients about the review and, with assistance from independent consulting actuaries to arrive at a prudent estimate of potential compensation payable, there remains a risk that claims will arise after the review has been completed and further compensation payments will be needed.

### 26 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group 2021 £000</b>
Within one year	1,027
Between two and five years	503
	<hr/> 1,530 <hr/>

The Succession Jersey Limited company was not committed to any operating leases.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 27 Subsidiaries

Details of the company's active subsidiaries at 31 December 2021 are listed below. The only directly held subsidiary being Succession Finance Jersey Limited:

Name of subsidiary undertaking	Country of registration	% Held
Investors Planning Associates Limited	England and Wales	100.00
Mackenzie Investment Strategies Ltd	Scotland	100.00
Succession Advisory Services Limited	England and Wales	100.00
Succession Employee Benefit Solutions Limited	England and Wales	100.00
Succession Finance Jersey Limited	Jersey	100.00
Succession Financial Management Limited	England and Wales	100.00
Succession Group Ltd	England and Wales	100.00
Succession Holdings Ltd	England and Wales	100.00
Succession Newco1 Jersey Limited	Jersey	100.00
Succession Newco2 Jersey Limited	Jersey	100.00
Succession Wealth Management Limited	England and Wales	100.00

All subsidiary undertakings operate in the United Kingdom in the financial services industry. All investments in subsidiary undertakings are in ordinary shares, exempt for the deferred shares in Succession Group Ltd.

All active companies registered in England and Wales have the following registered address: 9 Drake Building, 15 Davy Road, Plymouth Science Park, Devon, England, PL6 8BY. All active companies registered in Scotland have the following registered address: 1st Floor Finlay House, 10 - 14 West Nile Street, Glasgow, Scotland, G1 2PP. All companies registered in Jersey have the following registered address: 26 New Street, St Helier, Jersey, JE2 3RA.

As part of a planned business simplification project, the following subsidiaries were in members' voluntary liquidation as at 31 December 2021. This list excludes subsidiaries that were formally dissolved after the balance sheet date, which are shown further below.

Joint Liquidators: Nicholas Timpson and Stephen Absolom of Interpath Ltd

Name of subsidiary undertaking	Country of registration	% Held
Caledonia Financial Planning Ltd	Scotland	100.00
Campbell Dallas Financial Services Ltd	Scotland	100.00
Highcliffe Financial Management Limited	England and Wales	100.00
Langham Pensions & Investments Limited	England and Wales	100.00
LRH Wealth Management Limited	England and Wales	100.00
Paul Jones Financial Services Limited	England and Wales	100.00
Plan 4 Wealth Limited	England and Wales	100.00
Sigma Wealth Strategies Limited	England and Wales	100.00
Succession Benefit Solutions LLP	England and Wales	100.00
TMS Financial Solutions Limited	England and Wales	100.00

The above listed companies registered in England and Wales have the following registered address: 10 Fleet Place, London, EC4M 7QS. Companies registered in Scotland are registered at: 319 St. Vincent Street, Glasgow, G2 5AS.

# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 27 Subsidiaries

(Continued)

Joint Liquidators: Luke Venner and Malcolm Rhodes of Bishop Fleming LLP

Name of subsidiary undertaking	Country of registration	% Held
Ellaby Pollard Limited	England and Wales	100.00
Killermont Investments Ltd	Scotland	100.00
Warde Graham Consulting Limited	Scotland	100.00
Warwick Butchart Associates Limited	England and Wales	100.00

The above listed companies registered in England and Wales have the following registered address: 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS. Companies registered in Scotland are registered at: 1st Floor Finlay House, 10-14 West Nile Street, Glasgow, Scotland, G1 2PP

Also as part of the Group's planned business simplification project, the following subsidiaries were formally dissolved after the balance sheet date:

Name of subsidiary undertaking	Country of registration	% Held
Mellor Associates Limited	England and Wales	100.00
Winter Financial Services Limited	England and Wales	100.00

### 28 Related party transactions

2021

#### Group

£000

#### **Ocorian Limited**

P Shaw is a non-designated member and A Mainwaring is a partner of, and both have an indirect financial interest in Inflexion Private Equity Partners LLP, of which Ocorian Limited is a portfolio investment company.

Fees for professional advice 52

#### **Inflexion Private Equity Partners LLP**

P Shaw is a non-designated member and A Mainwaring is a partner of, and both have an indirect financial interest in Inflexion Private Equity Partners LLP

Directors' fees 36

#### Company

#### **Ocorian Limited**

P Shaw is a non-designated member and A Mainwaring is a partner of, and both have an indirect financial interest in Inflexion Private Equity Partners LLP, of which Ocorian Limited is a portfolio investment company.

Fees for professional advice 27

There were no outstanding balances at year end in respect to the Group or the company.

The Group and company have no other material transactions with related parties other than those with companies forming part of a wholly-owned group for the purposes of FRS 102.33.1A. In accordance with FRS 102.33.1A transactions with relevant members of the Succession Jersey Limited group are exempt from disclosure.



# SUCCESSION JERSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

### 29 Cash generated from group operations

	<b>2021</b> <b>£000</b>
Loss for the period after tax	(28,669)
<b>Adjustments for:</b>	
Taxation charged	722
Preference share options (employee benefits)	13,360
Equity shares (share based payment)	7,596
Non cash exceptional items	(1,197)
Finance costs	7,275
Investment income	(3)
Amortisation and impairment of intangible assets	4,974
Depreciation and impairment of tangible fixed assets	442
Increase in provisions	142
<b>Movements in working capital:</b>	
Increase in debtors	(37)
Increase in creditors	334
<b>Cash generated from operations</b>	<b>4,939</b>

### 30 Ultimate controlling party

Inflexion 2010 Buyout Fund LP and Inflexion 2010 Buyout Fund (No 2) LP, both registered in Guernsey, collectively are the majority shareholders of Succession Jersey Limited and therefore collectively are the ultimate controlling parties.

### 31 Post balance sheet event

In December 2021, it was announced that Succession Group Ltd were to acquire the share capital of JCF Financial Services Limited, Bankhouse Financial Management Limited and Pannells Financial Planning Ltd. Further to this, in January 2022, it was announced that Succession Group Ltd were to acquire the share capital of The Oxford Advisory Partnership Limited. All of these deals are subject to FCA change of control and are expected to complete in H1 2022.

On 1 March 2022 Aviva Life Holdings UK Limited agreed to purchase the entire share capital of Succession Jersey Limited for a provisional amount of £385m. This is subject to change of control approval by the Financial Conduct Authority (FCA). Completion of the deal is expected to occur in H2 2022.

In April 2022, all payment in kind (PIK) loan notes, detailed in note 18, were amended such that they are now payable on 28 June 2023, or earlier if the Group is sold.