Parmenion Capital Partners LLP

Annual report and financial statements

Registered number OC322243

For the year ended 31 December 2021

Contents

Designated Members and Advisers

Designated members	Aberdeen Asset Management PLC	(until 30th June 2021)
	Aberdeen Investments Limited	(until 30th June 2021)
	Shillay Bidco 1	(from 30th June 2021)
	Shillay Bidco 2	(from 30th June 2021)
Registered office	Aurora Counterslip Bristol BS1 6BX	
Independent auditor	KPMG LLP Chartered Accountants and Statutory Auditors 66 Queen Square Bristol BS1 4BE	

View from the Chairman - Richard Houghton

2021 marked a year of considerable change for Parmenion, against the continuing economic and social challenges of the world-wide pandemic. I've been impressed by the way Martin and his team have pulled together to rise to those challenges.

Despite the announcement late in 2020 that the business was to be sold by the business formerly known as Standard Life Aberdeen, Parmenion made a strong start to 2021. News of the sale of the business to Preservation Capital Partners was announced in March and heralded as a positive change both internally and in the media. Formal separation activity progressed at pace and the FCA confirmed change of control in early July. We then welcomed new shareholders, AssetCo on board as they acquired 30% of Parmenion from Preservation. We were also delighted to be able to offer all Parmenion employees the opportunity to become shareholders in our business on the same terms as Preservation themselves - and over 70 of them decided to do so.

Amidst all this upheaval, and despite some of the most challenging business and market conditions in years, revenue from the core business rose by c.20% to £36m, resulting in a significant swing from loss to profit. The outstanding service levels that Parmenion is known for were maintained throughout.

Parmenion's governance structures were reshaped to reflect our new ownership, and alongside Parmenion's existing regulated Board, the new Group Board appointed non-executive directors from both Preservation and AssetCo, as well as me as Chairman. A special 'Let's Grow' event at Kew Gardens in November was held to introduce our customers to our new investors and outline our new growth strategy. The event was a significant success with our new strategy winning wholehearted support from the partner firms present and attracting positive media coverage.

The year ahead will no doubt be a turbulent one as we face the impact of war in Ukraine, the cost-of-living crisis in the UK and extreme volatility in the energy market. Nonetheless I have great confidence that, even in troubled times, financial advice firms will continue to flourish in no small part due to their partnership with Parmenion.

Finally, I'd like to thank everyone for the warm welcome I've received and for their continued hard work.

Richard Houghton

View from CEO - Martin Jennings

2021 was an extraordinary year for the world and another year of significant change at Parmenion, as we embarked on a new future, having secured our independence outside of what was known as Standard Life Aberdeen.

FCA data showed the advised sector to be in robust health, with growth across firms of all sizes, and this is reflected in our AUM growth across the year of 17%, from £8.2bn to £9.6bn.

We continued to work alongside our adviser partners to sustain our proposition, maintain our outstanding service levels, and achieve the best possible outcomes for their 80,000 clients. Our focus on creating value, reducing risk, and reducing cost for everyone is unwavering. We aim to generate positive results in both the pension and investment statements of retail clients and the profit and loss accounts of advisory businesses.

Providing this level of support requires an unwavering focus on technology innovation, client service, admin efficiency, flexible wrappers and investment solutions, all delivered by expert staff with industry knowledge, high motivation, and the integrity to do the right thing.

Our emphasis on staff welfare is long standing - Parmenion's 'Wellspiration' initiative launched in 2019 and in 2021, we organised over 25 events to support the wellbeing of our team, including Indian head massage, reflexology, and workshops on managing stress. We also continued to support the community in Bristol, through regular donations and fundraising for local charities. A monthly Temperature Check helps us monitor mood and motivations amongst our colleagues, supporting our managers in having good, constructive conversations.

That's how we've been able to retain our high standing in platform and DFM ratings. 2021 saw us achieve an improved AKG rating, win Money Marketing's Best DFM award and achieve record numbers of Defaqto Stars and Diamonds for our investment solutions.

In the Investment Trends 2021 UK Adviser Technology and Business Report, we ranked highest among UK adviser platforms in Net Promoter Score among all users and second for overall user satisfaction.

Our cross-company commitment to service means advisers and customers can do everything they need to efficiently, effectively and accurately. Our Client Services team continued to answer over 90% of calls in 20 seconds or less in one of the busiest years on record. March 2021 saw our highest volume of inbound calls ever and we remained comfortably within all agreed service levels.

This achievement, against the ongoing challenges of the pandemic and the upheaval of a change of ownership in the business, is testament to the hard work and dedication of the Parmenion team and I want to thank them all.

From fully remote working with just a skeleton operational team in the office, we have all transitioned to a new blended working approach that supports flexibility and productivity - benefitting both colleagues and our business. We have paid particular attention to the increased cyber security risk sparked by the pandemic, advising staff and customers on security measures including Multi Factor Authentication and introducing Dashlane, a secure password manager across the business. Digital signature use with Docusign continued to grow, peaking at key points through the year such as tax year end.

In September, we announced a new approach to pricing. To build a sustainable business for the long term, we needed to ensure that our pricing strategy aligns to the work done and therefore the costs in our business. This change has created a solid financial foundation for our future growth, as well as maintaining our competitive market position.

Our focus remains on providing long term excellence in our products and service and the new pricing allows us to make sure advisory businesses and their clients can manage their financial futures without unnecessary stress or complexity.

We continued to play our part in industry trade bodies and panels such as TISA and UKPG, taking every opportunity to influence, where possible, better outcomes for the advice sector and our end customers.

And, of course, we keep talking to and listening to our customers to understand and respond to their priorities. At our first ever CEO symposium, 'Let's Grow', held at Kew Gardens in November 2021, I was delighted to introduce our new shareholders, and let advisers see and hear first-hand their absolute support for our growth strategy and our team.

We see considerable opportunities for sustained growth across generations, as long-term savings needs become more complex. A combination of public mood and international co-ordinated government policy is driving increased need for ESG solutions. We have been a leader in this field and offer four ethical investing profiles to meet different client needs. AUM in our ethical solution reached over £630m with inflows of more than £90m in the last twelve months alone. As we approach the 10th anniversary of these solutions in 2022 the opportunity for continued growth is built into our sales and marketing plans for the year ahead.

As the year drew to a close, we agreed our new growth strategy with our shareholders. This will see us wholly focus on supporting and developing partnerships with financial adviser businesses in the UK. Demand for financial advice has never been higher, and we believe that demand will continue to grow throughout the next decade. Advisers will look to partner with providers that enable them to deliver fantastic advice and service to their clients. To that end, our intent to broaden our investment proposition, deliver a market leading retirement offer and innovate through digital services and data has been well received by both the market and our adviser partners.

Our change of ownership has sparked a change of pace and a company-wide focus on helping our customers thrive. While 2022 will bring significant macro-economic and geopolitical challenges, we believe we are in an excellent position to support advisers with a full range of industry leading products and services as they deliver their advice to their clients.

Martin Jennings

Revenue

2021 saw Parmenion deliver impressive growth, even with the uncertainty created by the announcement that our business was to be sold by Standard Life Aberdeen (SLA) and the continued impact of Covid.

Year on year, our management and custody fees grew from £29.6m to £35.8m - an increase of 21%. As noted in our 2020 report, SLA terminated Parmenion's involvement in their Virgin Money contract, which meant non-core revenue was reduced by £9.8m.

Overall, assets under management (AUM) increased by 17.2% in 2021, growing from £8.2bn in December 2020 to £9.6bn by the year end.

Costs

Throughout 2021, costs were maintained at levels consistent with 2020. Most notably, staff costs fell from £16.3m to £15,7m, as our staff numbers reduced from 234 to 214. This reduction was largely a result of the termination of the Virgin Money contract.

Our history of investment enabled us to maintain a stable cost base while growing revenues, leading to a commensurate increase in margins. Our outstanding customer service, powered by technology and the quality of our teams, is a significant competitive advantage for Parmenion and we will continue to invest to improve on our current standards of excellence.

Operating Margin

Realising benefits from investments made in previous years has helped improve our operating profit from a reported loss of £4.8m in 2020 to a profit of £4.6m in 2021.

As noted in 2020, when one-off items are excluded from the operating loss (namely items connected with the termination of the Virgin Money contract and the impairment of intangible assets), the comparable historic position shows £1m of operating profit.

Therefore, there was a significant increase in underlying profit of £3.8m - a clear demonstration that our drive to generate operational efficiencies is producing the desired result.

Cashflow

A cashflow statement has been provided for the first time in 2021.

This shows strong cash generation in 2021, with cash from operating activities at £9.7m compared to an inflow of £4.7m in 2020. The total cash increase in the period is £7.9m.

In 2020, the comparable amount was £2.2m (excluding £6.5m proceeds from a loan facility).

Financial Position

The balance sheet has significantly strengthened in the year, with net assets of £15m at the end of 2021, compared to £10.6m in 2020. Our headroom over the FCA capital requirements is more than £3m, as of 31 December 2021.

It's also worth noting the strength of our current asset liquidity base, with £23.8m held in cash - an increase of around 50% over 2020.

We are delighted that AKG awarded Parmenion a financial strength rating of B (Strong), a positive affirmation of the underlying financial strength of our business.

Going Concern

Our accounts have been prepared on a going concern basis. The 2021 results have shown strong growth and significant improvement in key areas of financial strength compared to 2020.

Our 5-year strategic growth plan is regularly reviewed and stress tested by the leadership team.
This degree of challenge enables the Board to have confidence that Parmenion is both a going concern and a highly resilient business.

Emma Thomas

The members present their report on Parmenion Capital Partners LLP (the "LLP" or "Parmenion") for the year ended 31 December 2021.

Business review and future developments

The principal activity of the LLP during the year was to offer collective investment fund based discretionary management and platform custody services to the retail clients of UK authorised Independent Financial Advisers. There are no plans to change the principal activity of the LLP.

The LLP is authorised and regulated by the Financial Conduct Authority ("FCA").

On 30th June 2021, Aberdeen Asset Management PLC and Aberdeen Investments Limited sold Parmenion to Shillay Bidco 1 and Shillay Bidco 2.

Parmenion has maintained focus on ensuring that its systems and processes meet the highest industry standards. Parmenion has invested significantly, to ensure the robustness and scalability of its infrastructure. Faced with the ongoing impacts of the global pandemic, the LLP has continued to deliver, having maintained both cost savings and stable core revenues.

Separation from the SLA group provided us with opportunities to review procurement of certain services, facilitated decision making and allowed us to reflect on and develop our approach to our regulatory footprint.

We undertook a strategic review during the year in conjunction with our new owners. The objective of this was to improve and widen our proposition. This review generated a number of new exciting opportunities for Parmenion to pursue, including allowing adviser firms access to certain third party DFMs on the Parmenion platform, improving our SIPP proposition and developing an advisory model solution.

Designated Members

The designated members during the year under review and up to the date of this report were:

Aberdeen Asset Management PLC (until 30th June 2021)
Aberdeen Investments Limited (until 30th June 2021)
Shillay Bidco 1 (from 30th June 2021)
Shillay Bidco 2 (from 30th June 2021)

Members' capital, interests and rights

Each member's capital contribution is determined by the Limited Liability Partnership Agreement. No member is entitled to receive interest on their capital contributions to the LLP and their contribution is repayable on the date that they leave the partnership.
Details of changes in members' capital and interests in the year ended 31 December 2021 are set out in the financial statements.

Key performance indicators

The LLP tracks turnover and assets under management ("AUM") as key performance indicators. The table below shows AUM growth from 31 December 2020 to 31 December 2021:

	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Assets under management	9,634,188	8,194,103

Principal risks and uncertainties

The LLP is exposed to a range of significant risks and operates under the Parmenion risk management framework. The oversight and implementation of risk strategy for the LLP is managed at an executive level through the executive risk committee, together with the risk and compliance departments. The members of the committee meet bi-monthly and consider the risks facing the LLP and controls required to manage these risks, as well as the output from a number of governance committees held at an executive and senior management level.

The principal risks relating to the LLP are:

Investment mandate

This is the risk of intentional or unintentional errors (including exceeding client exposure limits or mandated risk levels) leading to compensation payments for breach of investment mandates.

Client and investment mandate restrictions are automated as far as possible to reduce areas where judgement or manual intervention is required. Timely and accurate monitoring of solution activities are reviewed by the Senior Investment Oversight Manager. If an investment breach is identified, the factors leading to the breach are promptly analysed and the position corrected.

There is segregation of duties between all conflicting roles and there are also overarching controls in various committees.

Product

There is a Grow the Business Committee which oversees the assessment and launch of all new products. New proposals and strategies are evaluated and approved by the Grow the Business Committee, which considers the risks, potential investor profiles and distribution channels to ensure suitability and commercial viability. Periodic post-sale product analysis is conducted to confirm products are performing as expected and meeting the needs of clients.

Distribution and client management

Client relationships are fundamental to the LLP's business and retention of AUM. The main source of business originates through two channels of distribution: directly from institutions and indirectly through investment intermediaries. There is therefore the risk of misleading clients or misrepresenting products to clients which could create regulatory censure as well as loss of clients. Poor management of client or distributor relationships is also a risk.
Client needs and expectations continue to evolve and change in profile, and there is a risk of failure to customise and tailor service models to suit their specific requirements.

The Board views meeting customers' needs and expectations as integral to the LLP's culture. Client relations teams keep in regular contact with clients to ensure their needs are addressed.

External service providers

The LLP uses a small number of strategic suppliers. This ensures a degree of competition, whilst ensuring the LLP has significant influence and leverage. However, it also exposes the LLP to concentration risk and dependence on strategic providers. Operations teams oversee these third-party administrators and monitor agreed service levels through a suite of key indicators, focusing on significant aspects such as service quality and risks. Contingency plans in the event of the withdrawal or failure of a strategic supplier are reviewed by the Board. The LLP also regularly reviews the business recovery infrastructure and strategy of these suppliers. This includes meetings between senior executives and strategic suppliers during the year and on-going monitoring and review by control oversight functions.

Brand and marketing

Digital developments are transforming interactions with clients. There is a risk of reputational damage if the pace with how an increasing number of clients and stakeholders want, and expect, to interact with us is not met, and if brand or marketing activities are inconsistent with the LLP's culture or operations.

A dedicated marketing team oversees all social media communications, to ensure regulatory compliance, and to develop the digital offering to help communication with client audiences in an engaging way. Reputational standing and changes in reputation are tracked through a specialist company who analyse industry, media and social commentary to help understand what influences reputation and comparison with peers. The compliance team works closely with the business to check marketing materials are consistent with products and capabilities.

Loss of key investment personnel

Retaining, developing and investing in talent is fundamental to the LLP's stability and long-term success. The LLP's reputation and client retention could be damaged through significant changes in investment personnel. Failure to prevent the departure of qualified employees dedicated to overseeing and implanting current and future regulatory standards and initiatives could also negatively impact on the LLP's operations.

The LLP does not have "star" fund managers; instead, there are teams with complementary skillsets who discuss investment decisions and take collective responsibility. This team-based approach seeks to avoid reliance on any one individual. Appraisals and remuneration are designed to develop, attract, motivate and retain staff. Succession plans are in place to ensure there is cover for key roles, and these are formally reviewed and updated annually. This strategy is disseminated through all levels of the organisation, so each business area can engage with the LLP's ambitions of growth.

Technology and information security

The LLP's technological infrastructure is critical to the operation and the delivery of products and services to clients. Technology and information security risk relates to the risks that technology systems are inadequate or that they fail to adapt to changing requirements. It also covers cyber related risks where the LLP is exposed to financial loss or damage to reputation as a result of

failure of information technology systems; a flaw or weakness in hardware, software or process that exposes a system to compromise by third parties; and, that data is held insecurely or breached. Technology and data innovation are also transforming many aspects of the investment process. There is a risk that systems and platforms do not have the flexibility to support a more diverse client base and the LLP fails to utilise data to gain a competitive advantage.

The Run the Business committee provides the overall strategic direction, framework and policies for technology and information security, with a particular focus, currently, on cyber-crime prevention. This is supported by the global cyber security programme which is focussed on the protection of the confidentiality and integrity of information assets. External global capacity is employed to support the management and protection of networks, critical internal assets and data. This includes an incident response service in real time as they occur to identify and thwart potential malicious activity. A periodic risk assurance review of information security and cyber risk framework is undertaken by a professional service firm, to benchmark against peers.

Business continuity

The LLP has an obligation to ensure the business can operate at all times. There is a risk that potential impacts and threats to the LLP are not identified, and therefore it is essential to build the resilience and capability required to ensure an effective response that safeguards the interests of key stakeholders, reputation, brand and value creating activities.

Business continuity management policies and recovery plans have been established, which define the standards and requirements for business continuity, pandemic preparedness, crisis management and recovery. These plans are regularly tested. Off-site backup facilities are in place to provide resilience and security that key operations can be moved and/or managed from one location to another at short notice if necessary.

The continued strength of the LLP's business continuity plans through 2021 has been demonstrated across the business. We have been able to continue to operate in a business-asusual manner and maintained our exceptional levels of service - winning best overall service to paraplanners service award in 2021 at the Professional Paraplanner Awards. Right at the start of the pandemic, we carried out scenario tests on our business model and developed a strong cost savings initiative to ensure any negative impacts on our revenue were mitigated by these reductions. We have been cash generative in the year, with positive cashflow of £7.9m, thus ensuring we are in a strong position to weather any further impact of this pandemic or any other challenges the business may face. The business is therefore very well placed to continue as a going concern.

Legal and regulatory

The LLP is subject to regulatory oversight by the FCA and operates in a complex and dynamic regulatory environment. Risks arise from legal and regulatory obligations and the failure to correctly interpret law or changes in the law which may materially and adversely impact the LLP. The LLP may also be subject to regulatory sanctions or loss of reputation from failure to comply with regulations. Conduct and culture, and managing or avoiding conflicts of interest, are key responses to this risk.

The management of legal and regulatory risk is the responsibility of the senior management of all functions, supported by the in-house compliance team and external legal advisers. The legal advisers and compliance team track legal and regulatory developments to ensure the LLP is prepared for changes. In addition to developing policies, delivering training and performing monitoring checks, they provide advice to other departments to ensure compliance with legal and regulatory requirements. They also work with project groups to implement key regulatory changes. There is an open and constructive relationship with regulators and participation in industry forums and associations so that information is shared regarding possible legal and regulatory changes.

Capital management

Capital serves as a buffer to absorb unexpected losses on a going concern basis as well as to fund the ongoing activities of the LLP and to comply with the requirements of the FCA. The regulatory capital requirement of the LLP is established through reference to the Capital Requirements Directive IV (CRD IV). The LLP aims to maintain capital in excess of its regulatory requirements to ensure a safety margin is held.

The CRD IV requires Country by Country Reporting (CBCR). However, all turnover of the LLP is derived from the UK and the Company has no establishments overseas. The requirement is therefore met by the information disclosed within these financial statements.

Credit risk

The LLP's exposure to credit risk arises primarily from counterparty exposure in the form of exposures to a third-party lender and deposits placed with banks.

Due diligence and regular review of our banking providers is carried out as part of our CASS monitoring.

Liquidity risk

The LLP aims to have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the LLP's reputation.

The LLP's cash position, available facilities and forecast cash flows is monitored on a weekly basis by the LLP's finance team and access to appropriate liquidity is made available where necessary. Compliance with the LLP's regulatory capital requirements is also regularly monitored to ensure no breaches occur.

Equal opportunities

At Parmenion we view diversity as a valuable business asset. By having a workforce that reflects the communities where we work, we gain an important competitive advantage. We do not tolerate harassment or bullying. The LLP gives full and fair consideration to applications for employment from disabled persons. If employees become disabled, we provide continuing employment wherever possible and subject to local laws and regulations. For the purposes of training and career development, all employees are treated equally.

Health and safety

The LLP has in place a health and safety policy which can be accessed by all staff via an internal database. The aim is to provide both staff and visitors with a safe and healthy working environment. The LLP is committed to adhering to the high standards of health and safety set out by its policies and procedures and to providing training as necessary.

Post Balance Sheet Events

There are no post balance sheet events.

Disclosure of information to auditors

The designated members at the date of approval of this Members' Report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditors is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Independent Auditors

The auditors, KPMG LLP, will resign following signing of these financial statements. Smith & Williamson will be appointed for the audit of the 2022 financial statements.

Statement of members' responsibilities in respect of the Members' Report and the financial statements

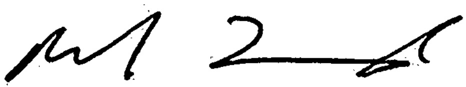
The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

On behalf of the members:



Martin Jennings

On behalf of Shillay Bidco 1 Limited, a Designated Member

Independent auditor's report to the members of Parmenion Capital Partners LLP

Opinion

We have audited the financial statements of Parmenion Capital Partners LLP ("the LLP") for the year ended 31 December 2021 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the LLP will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board and inspection of policy documentation as to the LLP's high-level policies and procedures to prevent and detect fraud, including the LLP's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the lack of estimation and subjectivity with the revenue streams.

We did not identify any additional fraud risks.

We performed procedures including:

Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations and those containing key words.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Board (as required by auditing standards), and from inspection of the LLP's regulatory and legal correspondence and discussed with the Board the policies and procedures regarding compliance with laws and regulations.

As the LLP is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the LLP is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the LLP is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the LLP's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital recognising the financial and regulated nature of the LLP's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The members are responsible for the other information, which comprises the members' report, the view from the CEO and the view from the CFO. 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 conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 15, the members are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the LLP'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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability

Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Jones

Andrew Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
United Kingdom

27 April 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Revenue	4	35,841,656	*29,625,452*
Other income		26,885	*9,962,789*
Employee benefits expense	6	(15,728,232)	*(16,314,117)*
Depreciation, amortisation and impairment of non-financial assets		(2,235,034)	*(11,112,185)*
Other expenses		(13,255,627)	*(16,943,097)*
Operating profit/(loss)	5	4,649,648	*(4,781,158)*
Financial income	7	75,841	*402,416*
Financial expense	7	(270,478)	*(250,288)*
Profit/(Loss) and total comprehensive income for the financial period available for discretionary division among members		4,455,011	*(4,629,030)*

Turnover and operating profit/(loss) arise from continuing operations in the UK.

The accompanying notes form an integral part of the financial statements.

Statement of Financial Position

At 31 December 2021

	Note	As at 31 December 2021 £	As at 31 December 2020 £	As at 1 January 2020 £
Assets				
Non-current				
Other intangible assets	8	1,700,094	*1,752,117*	9,857,007
Property, plant and equipment	9	903,683	*1,726,537*	2,156,245
Right-of-use asset	10	4,859,424	*5,588,337*	6,317,251
Investments	11	104	*105*	100,108
Non-current assets		7,463,305	*9,067,096*	18,430,611
Current				
Prepayments and other short-term assets		1,805,071	*1,162,765*	1,412,813
Trade and other receivables	12	3,850,928	*5,194,994*	3,401,498
Cash and cash equivalents	14	23,881,708	*15,933,221*	7,187,407
Current assets		29,537,707	*22,290,980*	12,001,718
Total assets		37,001,012	*31,358,076*	30,432,329

Statement of Financial Position

At 31 December 2021

Liabilities and equity				
Liabilities				
Non-current				
Lease liabilities	16	5,303,028	*6,055,936*	7,187,680
Non-current liabilities		5,303,028	*6,055,936*	7,187,680
Current				
Employee obligations		1,419,220	*479,869*	653,895
Borrowings	13	8,568,559	*8,500,000*	2,217,827
Lease liabilities	16	914,984	*1,054,116*	263,529
Trade and other payables	15	5,700,674	*4,628,619*	4,840,832
Current liabilities		16,603,437	*14,662,604*	7,976,083
Total liabilities		21,906,465	*20,718,540*	15,163,763
Equity				
Equity attributable to owners of the LLP				
Members' capital classified as equity		17,500,100	*17,500,100*	17,500,100
Retained earnings		(2,405,553)	*(6,860,564)*	(2,231,534)
Total equity		15,094,547	*10,639,536*	15,268,566
Total equity and liabilities		37,001,012	*31,358,076*	30,432,329

The accompanying notes on pages 25 to 50 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the designated members of the LLP on 27th April 2022 and were signed on its behalf by:

Martin Jennings

On Behalf of Shillay Bidco 1 Limited, a Designated Member

Statement of Members' Equity Interests

At 31 December 2021

	Members' capital (classified as equity)	Other reserves (losses)	Other reserves (profits)	Other reserves (share option reserve)	Total Equity
	£	£	£	£	£
Balance at 1 January 2021	17,500,100	(12,956,041)	3,521,677	2,573,800	10,639,536
Profit for the year	-	-	4,455,011	-	4,455,011
Balance at 31 December 2021	17,500,100	(12,956,041)	7,976,688	2,573,800	15,094,547
Balance at 1 January 2020	17,500,100	(8,327,011)	3,521,677	2,573,800	15,268,566
(Loss) for the year	-	(4,629,030)		-	(4,629,030)
Balance at 31 December 2020	17,500,100	(12,956,041)	3,521,677	2,573,800	10,639,536

Members' capital (classified as equity) represents amounts injected into the LLP by present and historic members of the LLP. Other reserves (losses) and profits include the profit or loss available for distribution to members. Share option reserve includes paid amount of the EBT on the sale of the LLP to Aberdeen.

For the year ended 31 December 2021

	Notes	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Cash flows from operating activities			
Profit/(loss) for the year		4,455,011	*(4,629,030)*
Adjustments for:			
Depreciation, amortisation and impairment		2,235,035	*11,212,189*
Financial income		(75,841)	*(402,416)*
Financial expense		270,478	*250,288*
		6,884,683	*6,431,031*
(Increase)/decrease in trade and other receivables		703,158	*(1,571,647)*
(Decrease)/increase in trade and other payables		(4,105)	*439,793*
(Decrease)/increase in provisions and employee benefits		2,016,129	*(1,023,927)*
		9,599,865	*4,275,250*
Interest received		66,821	*414,316*
Net cash from operating activities		9,666,686	*4,689,566*
Cash flows from investing activities			
Interest received		7,624	*16,299*
Acquisition of property, plant and equipment	*9*	(16,467)	*(482,301)*
Capitalised development expenditure	*8*	(614,777)	*(1,366,373)*
Net cash from investing activities		(623,620)	*(1,832,375)*
Cash flows from financing activities			
Proceeds from new loan		-	*6,500,000*
Interest paid		(40,465)	*(108,146)*
Payment of lease liabilities		(1,054,114)	*(503,231)*
Net cash from financing activities		(1,094,579)	*5,888,623*
Net increase/(decrease) in cash and cash equivalents		7,948,487	*8,745,814*
Cash and cash equivalents at 1 January 2021		15,933,221	*7,187,407*
Cash and cash equivalents at 31 December 2021	*14*	23,881,708	*15,933,221*

1. General information

Parmenion Capital Partners LLP (the "LLP") is an LLP incorporated and domiciled in England and Wales. The address of the registered office is:
Aurora Counterslip Bristol BS1 6BX

The LLP's business activities, together with expected future developments and key risks facing the LLP are detailed in the Members' report.

These financial statements were authorised for issue by the designated members on 27 April 2022.

2. Accounting policies

The following accounting policies have been applied consistently to all periods presented when dealing with items which are considered material in relation to the LLP's financial statements.

Basis of preparation
The financial statements have been prepared and approved by the members in accordance with UK-adopted international accounting standards ("UK-adopted IFRS"). The functional currency of presentation is £ sterling and amounts are reported to the nearest £.

The LLP holds £104 (2020: £105) investment in a subsidiary undertaking. The LLP applies the exemption from the requirement to consolidate subsidiaries that are not material for the purpose of giving a true and fair view of the LLP and its subsidiary as a whole, set out in Regulation 10 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Further details are set out in note 11 to the accounts.

The financial statements have been prepared under the historical cost convention and in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Transition to UK-adopted IFRSs
The LLP is preparing its financial statements in accordance with UK-adopted IFRS for the first time and consequently has applied IFRS 1 - First Time Adoption of IFRS ("IFRS 1"). There has been no impact on reported financial position, financial performance and cash flows of the LLP due to the transition from UK GAAP to UK adopted IFRS. The only changes made were; to the formats of the primary statements, where there were no complex changes to the balances disclosed, and

providing disclosures that the LLP was previously exempt from providing under FRS 101.

Standards not yet effective

UK-adopted IFRS not yet applied

The following UK-adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality Judgements was issued on 12 February 2021 which requires entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is periods beginning on or after 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current was issued on 23 January 2020 which clarifies that classification of liabilities to current and non-current should be based on rights that are in existence at the end of the reporting period. The effective date for adoption of this amendment has been deferred to periods beginning not earlier than 1 January 2024.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors was issued on 12 February 2021 which introduced a new definition for 'accounting estimates' and included amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is periods beginning on or after 1 January 2023. The LLP has evaluated the amendment and there is no impact on its financial statements.

Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use was issued on 14 May 2020 which amends the standard to prohibit deducting from the cost of an item if property, plant and equipment any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The proceeds are instead recognised in the statement of profit and loss. The effective date for adoption of this amendment is periods beginning on or after 1 January 2022. The LLP has evaluated the amendment and there is no impact on its financial statements.

Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract was issued on 14 May 2020 which specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g.: direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g.: allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is periods beginning on or after 1 January 2022.

Going concern

The LLP's business activities, together with the factors likely to affect its future development and financial position, are set out in the Members' report.

Management, on behalf of the Members of the LLP, conducted a rigorous assessment of the financial position of the LLP, which included consideration of the liquidity of the assets, expected cash flows and cash requirements, projected regulatory capital positions and the impact on the business of Covid-19, through stress testing which included a severe but plausible downside scenario.

Based upon the assessment undertaken, the LLP has a reasonable expectation that it has adequate resources to continue in operational existence, including discharging its liabilities as required, for a period of at least 12 months from the date of this report.
Accordingly, the Members of the LLP continue to adopt the going concern basis in preparing the financial statements.

Turnover

Revenue is recognised at a point in time, to the extent it is probable that economic benefits will flow to the LLP, and such revenue can be reliably measured. Revenue is recognised as services are provided and includes management fees, custody fees and other income.
Management and custody fees are based on the value of the LLP's assets under management.

The LLP collects discretionary fund management (DFM) fees related to its own solutions as well as on behalf of a number of third-party discretionary fund managers. The DFM fees are all recognised within revenue as they are all payable regardless of who manages the portfolio. The DFM fees collected on behalf of third parties are paid away and are included as a cost within administrative expenses. DFM payaways amounted to £6,172,369 in 2021 (2020: £4,860,119). Revenue net of payaways was therefore £29,669,287 (2020: £24,765,333).

Other income represents recharges to other group companies and third-party portfolio management fees. Also included in other income in 2020 is the £3m settlement from VMUTM following the contract termination and the release of the deferred income on the contract up to the point of termination amounting to £6.8m.

Financial assets

IFRS 9 Financial Instruments was adopted on 1 January 2019, replacing IAS 39. There was no material impact on the recognition, measurement or disclosure of financial assets as a result of this adoption.

Classification

- Loans and receivables - These instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments are included in current assets and consist of trade debtors, amounts due from group undertakings and loans and borrowings.
- Other financial assets - These instruments include cash and cash equivalents, other debtors and prepayments and accrued income.
- Cash and cash equivalents - These include both cash at bank and highly liquid investments.

Recognition and measurement

- Loans and receivables - These instruments are initially recognised at transaction value net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.
- Other financial assets - These instruments are initially recognised at transaction value and subsequently at amortised cost using the effective interest rate method, with the exception of cash and cash equivalents, where cost is deemed to represent a fair value.

The LLP has adopted trade date accounting. Accordingly, a financial investment is recognised on the date the LLP commits to its purchase and derecognised on the date on which the LLP commits to its sale.

Impairment of financial assets

The carrying amount of all financial assets are formally reviewed for impairment purposes at the end of each reporting period, or during the period where objective evidence exists that an impairment exists. Trade receivables are reviewed for impairment on an ongoing basis where any impairment is offset against the carrying amount of the balance. Impairment of intangibles is discussed further in the section 'other intangible assets' on page 37.

The Company recognises loss allowances for expected credit losses (ECLs), where material, on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk has not increased significantly since initial recognition which are measured as 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

- 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

Measurement of ECLs

- ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Financial liabilities

Classification

- Other financial liabilities - These instruments include trade and other payables, borrowings, and pension and other employment obligations.

Recognition and measurement

- Other financial liabilities - These instruments are initially recognised at transaction value and subsequently at amortised cost using the effective interest rate method.

Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost, and are subsequently measured at cost less accumulated depreciation.

Depreciation is charged on all property, plant and equipment on a straight-line basis calculated to write each asset down to its estimated residual value over its expected useful life at the following annual rates:

Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost
Leasehold improvements	- 20% on cost

Intangible assets and amortisation including intangible assets under development

Expenditure on the research phase of web development projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Website development costs are stated at cost less amortisation.

Amortisation is provided on a straight-line basis over the estimated useful economic life of five years.

Where a qualifying project is still in its development phase at the year end and is yet to launch, these assets are held at cost in the balance sheet and classified as assets under development.

The carrying amounts of the LLP's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Pension costs

The LLP contributes to a personal pension plan operated by the ultimate designated member. The assets of the scheme are held separately from those of the LLP in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Employee benefit expense

- Defined contribution plans - A defined contribution plan is a post-employment benefit plan under which the LLP pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.
- Short-term benefits - Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- Share-based payments - In 2020 as part of the SLA Group, employees were able to join the Save as you Earn scheme which offered all eligible employees the opportunity to buy shares at a pre-determined price in SLA through saving from their monthly salary over a 3- or 5-year term. These were all cashed in or exercised by Parmenion employee members of the plan by 31 December 2021, following the sale of the LLP on 30th June 2021.

Leased assets

The LLP leases office space on a 10-year rental contract. At lease commencement date, the LLP recognised a right-of-use asset and a lease liability in its balance sheet. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability and any initial direct costs incurred by the LLP. Initial measurement of the lease liability is the present value of the lease payments unpaid at that date, discounted using SLA group's incremental borrowing rate. The LLP depreciates the right-of- use asset on a straight-line basis from the lease commencement date to the end of the lease term. Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability..

Impairment of non-financial assets

In respect of investments in subsidiaries, an impairment loss is recognised when events or changes in circumstances indicate that the recoverable amount of the asset may not exceed its carrying value. If any such indication exists, the asset's recoverable amount is estimated and any provision for impairment recognised. Any impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

3. Critical accounting judgements and estimates

The preparation of the financial statements necessitates the use of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, contingent or otherwise, at the balance sheet date as well as affecting the reported profit or loss for the year/period. Although the estimates are based on management's best knowledge of current facts as at the balance sheet date, the actual outcome may differ from those estimates.

Critical estimates and assumptions are disclosed below:

- *Intangible assets* - Determination of amounts to be recognised as internal website development and determination of the useful lives of these assets. Items are capitalised up to the time the project goes live and then amortised over their determined useful economic life from that point. Any subsequent capital expenditure is capitalised and amortised immediately. See note 8.

- *Property lease under IFRS 16* - There is no implicit borrowing rate included within the office lease and therefore Parmenion have adopted the incremental borrowing rate of 2.2235% in their calculation of the present value of the discounted lease payments. This IBR is both country specific and has taken into account the lease term.

4. Turnover.

Turnover arose wholly within the United Kingdom, analysis of turnover by class of business is as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Management and custody fees	35,841,656	*29,625,452*
Other income	26,885	*9,962,789*
	35,868,541	39,588,241

No customers represent more than 10% of revenue.

5. *Operating profit/(loss) is stated after charging:*

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Depreciation of right-of-use asset	728,913	*728,913*
Depreciation of property, plant and equipment	839,321	*912,009*
Amortisation of intangible assets	666,800	*2,269,812*
Impairment of intangible assets	-	*7,201,451*
Auditor remuneration:		
Statutory audit	115,000	*42,875*
Supply of other services	176,087	*141,663*

6. Employees and members

The average number of persons employed by the LLP, not including members with contracts of employment, during the period was as follows:

	Year ended 31 December 2021 number	Year ended 31 December 2020 number
Selling and administration	214	234

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Salaries and bonuses	12,823,362	*12,761,233*
Social security costs	1,491,757	*1,318,428*
Pension costs	1,467,770	*1,961,327*
Other benefits	(54,657)	*273,129*
	15,728,232	*16,314,117*

Other benefits in 2021 includes a one-off release of a group recharge provision for employee healthcare insurances

7. Net financial income

	Year ended 31 December 2021	*Year ended 31 December 2020*
Financial income	£	*£*
Bank interest receivable	5,907	*33,101*
Bank interest receivable – client money	66,821	*369,315*
Loan interest income	3,113	-
	75,841	*402,416*
Financial expense		
Interest on group borrowings	-	*88,214*
Interest on third party borrowings	108,404	-
Interest on the lease liability	162,074	*162,074*
	270,478	*250,288*
Net financial income/(expense)	(194,637)	*152,128*

8. Other intangible assets

	Assets under construction	Website development	Total
	£	£	£
Gross carrying amount			
Balance at 1 January 2021	-	5,601,961	5,601,961
Work in progress	479,293	-	479,293
Additions	-	135,484	135,484
Disposals	-	(896,598)	(896,598)
Balance at 31 December 2021	479,293	4,840,847	5,320,140
Amortisation and impairment			
Balance at 1 January 2021	-	3,849,844	3,849,844
Charge for the period	-	666,800	666,800
Disposals	-	(896,598)	(896,598)
Balance at 31 December 2021	-	3,620,046	3,620,046
Carrying amount at 31 December 2021	479,293	1,220,801	1,700,094
Gross carrying amount			
Balance at 1 January 2020	-	15,922,324	15,922,324
Additions	-	1,366,373	1,366,373
Impairment	-	(11,686,736)	(11,686,736)
Balance at 31 December 2020	-	5,601,961	5,601,961
Amortisation and impairment			
Balance at 1 January 2020	-	6,065,317	6,065,317
Charge for the period	-	2,269,812	2,269,812
Impairment	-	(4,485,285)	(4,485,285)
Balance at 31 December 2020	-	3,849,844	3,849,844
Carrying amount at 31 December 2020	-	1,752,117	1,752,117

The LLP recognises as intangible assets website development which has been developed internally and other purchased technology which is used in managing and executing our business. Costs to develop software internally are capitalised after the research phase and when it has been established that the project is technically feasible, and the LLP has both the intention and ability to use the completed asset. Intangible assets are recognised at cost and amortisation is charged to the income statement over the length of time the LLP expects to derive benefits from the asset, starting from the point in time when the asset comes into use.

The allocation of the income statement charge to each reporting period is dependent on the expected pattern over which future benefits are expected to be derived. Where this pattern cannot be determined reliably the charge is allocated on a straight-line basis over a period of five years.

Following the termination of the contract with VMUTM in Q4 of 2020, an additional impairment review of our intangible assets was carried out to consider the impact of the termination on the carrying value. As a result of this review, we wrote off £11.7m of cost and £4.5m of accumulated amortisation. The net P&L impact was £7.2m.

9. Property, plant and equipment

	Fixtures & Fittings	Leasehold Improvements	Computer Equipment	Total
	£	£	£	£
Gross carrying amount				
Balance 1 January 2021	574,816	1,560,980	1,476,758	3,612,554
Additions	4,835	-	11,632	16,467
Balance at 31 December 2021	579,651	1,560,980	1,488,390	3,629,021
Depreciation				
Balance at 1 January 2021	412,267	597,476	876,274	1,886,017
Charge for the period	149,038	312,196	378,087	839,321
Balance at 31 December 2021	561,305	909,672	1,254,361	2,725,338
Carrying amount 31 December 2021	18,346	651,308	234,029	903,683
Gross carrying amount				
Balance 1 January 2020	*574,816*	*1,521,535*	*1,033,902*	*3,130,253*
Additions	-	*39,445*	*442,856*	*432,301*
Balance at 31 December 2020	*574,816*	*1,560,980*	*1,476,758*	*3,612,554*
Depreciation				
Balance at 1 January 2020	*245,229*	*287,828*	*440,951*	*974,008*
Charge for the period	*167,038*	*309,648*	*435,323*	*912,009*
Balance at 31 December 2020	*412,267*	*597,476*	*876,274*	*1,886,017*
Carrying amount at 31 December 2020	*162,549*	*963,504*	*600,484*	*1,726,537*

10. Right-of-use asset

	Buildings	Total
	£	£
Gross carrying amount		
Balance at 1 January 2021	*7,289,135*	*7,289,135*
Balance at 31 December 2021	7,289,135	7,289,135
Depreciation		
Balance at 1 January 2021	*1,700,798*	*1,700,798*
Charge for the period	728,913	728,913
Balance at 31 December 2021	2,429,711	2,429,711
Carrying amount at 31 December 2021	4,859,424	4,859,424
Gross carrying amount		
Balance at 1 January 2020	*7,289,135*	*7,289,135*
Balance at 31 December 2020	*7,289,135*	*7,289,135*
Depreciation		
Balance at 1 January 2020	*971,884*	*971,884*
Charge for the period	728,913	728,913
Balance at 31 December 2020	*1,700,797*	*1,700,797*
Carrying amount at 31 December 2020	*5,588,337*	*5,588,337*

11. Investments

	Subsidiary undertakings (unlisted) £
Cost	
At 1 January 2021	105
Write down of investment in Self Directed Investments Limited	(1)
Net book value	
At 31 December 2021	104
At 31 December 2020	105

The following were subsidiary undertakings of the Company:

Name of undertaking	Country of registration	Direct/indirect holding	Total holding	Principal activity
Parmenion Nominees Limited	UK	Direct	100%	Dormant
Wise Trustee Limited	UK	Direct	100%	Dormant
Parmenion Capital Limited	UK	Direct	100%	Dormant
Wealth Horizon Limited	UK	Direct	100%	Dormant
Self-Directed Investments Limited	UK	Direct	100%	Trading

* Self Directed Investments Limited was dissolved on 4 January 2022

The registered address for all the subsidiary companies listed above is:

Aurora
Counterslip
Bristol
BS1 6BX

12. Trade and other receivables

Current:	31 December 2021 £	31 December 2020 £
Trade receivables	3,523,960	*3,910,612*
Other receivables	326,968	*1,011,471*
Amount owed by group undertakings	-	*272,911*
	3,850,928	*5,194,994*

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13. Other interest-bearing loans and borrowings

	31 December 2021 £	31 December 2020 £
Current liabilities:		
~~Unsecured loan from related party~~		~~*8,500,000*~~
Unsecured loan from third party	8,568,559	-
	8,568,559	*8,500,000*

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 31 December 2021 £	Carrying amount 31 December 2021 £	Face value 31 December 2020 £	Carrying amount 31 December 2020 £
Unsecured loan from associate	GBP	BoE	Repayable on demand	-	-	*8,500,000*	*8,500,000*
Unsecured loan from third party	GBP	BoE+0.86%	2022	8,568,559	8,568,559	-	-

Changes in liabilities from financing activities

	Loans and borrowings £
Balance at 1 January 2021	8,500,000
Changes from financing cash flows	
Proceeds from loans and borrowings	-
Payment of lease liabilities	-
Total changes from financing cash flows	-
Other changes	
Interest expense	108,404
Interest paid	(39,845)
Total other changes	68,559
Balance at 31 December 2021	8,568,559
Balance at 1 January 2020	2,217,827
Changes from financing cash flows	
Proceeds from loans and borrowings	6,500,000
Payment of lease liabilities	-
Total changes from financing cash flows	8,717,827
Other changes	
Interest expense	88,215
Interest paid	(306,042)
Total other changes	(217,827)
Balance at 31 December 2020	8,500,000

14. Cash and cash equivalents

	31 December 2021 £	31 December 2020 £
Cash at bank	10,605,614	*3,161,893*
Liquidity fund	13,276,094	*12,771,328*
Cash and cash equivalents per the balance sheet	23,881,708	*15,933,221*
Cash and cash equivalents per the cashflow statement	23,881,708	*15,933,221*

15. Trade and other payables

Current

	31 December 2021 £	31 December 2020 £
Trade payables	627,228	*296,628*
VAT	74,858	*61,392*
Other creditors	666,767	*1,744,954*
Amounts owed to group undertakings	94,729	*202,674*
Accrued expenses	4,237,092	*2,322,971*
	5,700,674	*4,628,619*

Included within amounts owed to group undertakings is an amount of £94,729 (2020: £202,674). The amount is unsecured, interest free with no fixed date of repayment and is repayable on demand.

16. Leases

Leases as a lessee

The LLP has leases for two floors of office space. These leases are reflected in the statement of financial position as a right-of-use asset and a lease liability. The LLP classifies its right of use assets in a consistent manner to its property, plant & equipment.

There are no early termination options within the lease and there is a rent review on 3rd September 2023.

Each lease generally imposes a restriction that, unless there is a contractual right for the LLP to sublet the asset to another party, the right-of-use asset can only be used by the LLP. Leases may only be cancelled by incurring a substantive termination fee. The LLP must keep the building in a good state of repair and return the property in its original condition at the end of the lease. Further, the LLP must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts.

Right-of-use assets

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment.

Lease liabilities - non current

	31 December 2021	31 December 2020
	£	£
Right of use liability	5,303,028	6,055,936
	5,303,028	6,055,936

Lease liabilities - current

	31 December 2021	31 December 2020
	£	£
Right of use liability	914,984	*1,054,116*
	914,984	*1,054,116*

Maturity schedule of the lease:

The lease runs for a period of ten years from 3rd September 2018. There was a rent-free period until 3rd October 2020.

The undiscounted cashflows connected to the lease are as follows:

Due in less than one year: £1,054,114

Due in one to five years: £4,216,456

Due in more than five years: £1,517,154

17. Save as You Earn (SAYE)

Under SLA ownership, the Group operated SAYE plans, which allowed eligible employees in the UK and Ireland the opportunity to save a monthly amount from their salaries, over either a three- or five-year period, which could be used to purchase shares in the Company. The shares can be purchased at the end of the savings period at a predetermined price. Employees are granted a predetermined number of options based on the monthly savings amount and duration of their contract. The conditions attached to the options are that the employee remains in employment for three years after the grant date of the options and that the employee satisfies the monthly savings requirement. Settlement is made in the form of shares. Following the sale of the LLP, employees who were members of the SAYE scheme were given the option to either have their invested funds returned to them or to exercise their options by 31 December 2021. All options were returned or exercised as on 31 December 2021.

18. Related party transactions

Identity of related parties with which the Company has transacted

The Group's related parties include its parent and subsidiary and key management, as described below. In addition, Parmenion Capital Partners LLP had a subordinated loan from its ultimate parent company up until 30th June 2020, Standard Life Aberdeen, on which interest of £40,465 (2020:£88,214) was expensed. From 1 July 2020 this was classed as a third-party loan.

At the period end, the balance due from LLP to one of its subsidiaries, Self Directed Investments Limited amounted to £94,729 (balance due to LLP from Self Directed Investments Limited 2020: £30,311). This related to staff costs in 2020 and in 2021 was the balance of funds in the SDIL bank account transferred to the LLP.

Transactions with key management personnel

Key management of the Group are the executive members of Parmenion Capital Partners' Chairman and members of the executive council. Key management personnel remuneration includes the following expenses:

	31 December 2021 £	31 December 2020 £
Key management emoluments including social security costs	2,510,520	*2,212,975*
Company contributions to money purchase pension plans	141,280	*139,968*
	2,651,800	*2,352,943*

Other related party transactions

	31 December 2021 £	31 December 2020 £
Parent - interest on loan from parent	(40,465)	*(88,214)*
Subsidiaries - wages recharge	-	*55,538*
Subsidiaries - advance paid	(125,040)	-
	(165,505)	*(32,676)*

	Receivables outstanding		Payables outstanding	
	2021 £	*2020* £	2021 £	2020 £
Parent	-	*242,600*	-	*8,702,674*
Subsidiaries	-	*30,311*	94,729	-
	-	*272,911*	94,729	*8,702,674*

19. Financial instruments

(a) Fair values of financial instruments

The table below analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of all financial assets and financial liabilities approximate their carrying amounts. The significant unobservable inputs have not been disclosed as no financial assets and liabilities have been measured at fair value. There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 December 2021 and 31 December 2020.

(b) Financial risk management

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a

financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The carrying amounts of financial assets represent the maximum credit risk exposure.
The LLP considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Based on the above analysis, the Company does not expect any credit risk from its trade receivables.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.
Following are the contractual maturities of financial liabilities at the reporting date. The carrying amounts represent gross and undiscounted contractual cash flow and include contractual interest payments.

2021 (£)	Carrying amount	Total	1 year or less	1-5 years	5 years and over
Borrowing	8,568,559	8,568,559	8,568,559	-	-
Lease liabilities	6,218,012	6,787,724	1,054,114	4,216,456	1,517,154
Total	14,786,571	15,356,283	9,622,673	4,216,456	1,517,154

2020 (£)	Carrying amount	Total	1 year or less	1-5 years	5 years and over
Borrowing	8,500,000	8,500,000	8,500,000	-	-
Lease liabilities	7,110,052	7,841,838	1,054,114	4,216,456	2,571,268
Total	15,610,052	16,341,838	9,554,114	4,216,456	2,571,268

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

- Currency risk: The LLP is not exposed to any currency risk. The currencies in which these transactions are denominated is £.

- Interest rate risk: The LLP's main interest rate risk arises from borrowings with variable interest rate, which expose the LLP to cash flow interest rate risk. However, this is not material. .

20. Capital management

For the purpose of LLP's capital management, capital includes member's capital and retained earnings. The LLP is not exposed to any externally imposed capital restrictions.

	2021	2020
	£	£
Total equity attributable to Members of the LLP	15,094,547	*10,639,536*

21. Ultimate controlling party

The LLP was under the control of the designated members during the period.

From 1 January 2021 to 30th June 2021, the LLP was under the control of Aberdeen Asset Management Limited and Aberdeen Investments Limited. The ultimate controlling party was Standard Life Aberdeen.

On 30th June 2021, the LLP was sold by Aberdeen to Preservation Capital Partners. From that date, the LLP was under the control of Shillay Bidco 1 and Shillay Bidco 2. The ultimate controlling party was Preservation Capital Partners Limited.

No Group accounts include the results of the LLP.