Registered Number OC325132

KILLIK & Co LLP

ANNUAL REPORT
For the year ended

31 MARCH 2020

Advisers

Registered Office	46 Grosvenor Street London W1K 3HN
Auditors	Nexia Smith & Williamson Chartered Accountants 25 Moorgate London EC2R 6AY
Bankers	Barclays Bank 1 Churchill Place London E14 5HP Bank of Scotland The Mount Edinburgh EH1 1YZ HSBC 12 Tavern Street Ipswich IP1 3AZ
Registered Number	OC325132

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Members' report

The Members present their report, together with the consolidated financial statements of Killik & Co LLP ('the LLP') and its subsidiary undertakings (together 'the Group') for the year ended 31 March 2020.

Principal activities

The principal activity of the Group is the provision of stockbroking, investment management and wealth planning services to the private client community. The Group also provides wills, trust administration, tax and other related services.

Review of business and future developments

This has been another year of steady growth. Our turnover of £52.2m compares to £47.8m during the previous year, an increase of 9.2%.

It was a year of continued investment into many areas of the business. These included

- scaling up and enhancing our wealth planning service to clients by growing our team and training and developing our advisers internally rather than acquiring talent from outside;

- expanding into a new 3,500 sq ft site attached to 46 Grosvenor Street, enabling us to bring our investment management and wealth planning teams together in one open plan space so as to support provision of a more integrated service for our clients; this move has also enabled us to improve client experience by creating more space for meetings and events in the main building;

- further development of our robo investing app, Silo, which remains central to our long-term growth ambitions for the business enabling us to reach new generations of savers and investors; our user base continues to grow despite very limited marketing investment;

Our model remains firmly one of organic growth, with 65% of our new clients reaching us by way of recommendations from our existing clients. We do not acquire other companies, nor do we take on individual Investment Managers or teams with their own book of business. We train our own Investment Managers, and now our own Planners as well. We believe that this is key to sustaining excellent service delivery to clients, and were proud once again this year to be voted Wealth Manager of the Year in the FT & IC Investment and Wealth Management awards.

However there was one significant investment that we made last year which has already paid off handsomely. It was the very prescient decision by our COO in the summer of last year, to move the entire business from desktops to laptops, as a more robust solution to the issue of Business Continuity Planning. The concept of lockdown didn't exist at the time, but when it suddenly arrived in March, our staff were able simply to unplug their laptops, take them home and continue to serve and support our clients – all the more important at a time of such market volatility. I am proud to say that our client service did not miss a beat; we have ensured that we communicate very regularly with our clients as to how we are operating and have found that our clients are more than comfortable with the transition to virtual meetings.

In contrast to our previous year, which had seen a 20% drop in global markets through the Autumn to early winter, the recovery off the December 2018 low point led to steady growth throughout 2019, until quite suddenly global investors realised that they had been too complacent about the emerging Coronavirus. The date was the 19th February and in the space of the next four weeks, global markets declined by over 30%.

Members' report (continued)

This market collapse, coming hot on the heels of the disruption in confidence created by political uncertainty particularly in the second half of last year, was not conducive to our normal second half asset inflow.

However, against this uncertain and volatile background, we were not displeased to have delivered £181m of net new assets over the year, down from £238m achieved for the year ended March 2019.

At 31st March 2020 our client assets stood at £5.358bn, a decrease of £443m or 7.6% from the £5.801bn at which we opened the year. Our "core" retail assets over this period fell from £5.3bn to £4.8bn, a fall of 9.4%. By way of a comparable performance over this period the FTSE100 fell by 1,607.23 or 22.1%. Our superior performance is testament to our Global asset allocation rather than a fixation to the UK market.

However, I am even more pleased to report that as at 12th June, the latest available date prior to publication of this report, our client assets had recovered to £6.082bn, an increase of £281m or 4.8% over the opening position for last year. Our "core" retail assets had recovered to £5.45bn an increase of £650m or 1.4% from the opening position for last year. By way of comparison over the same period, the FTSE100 is still down 1,175 or 16.1%

In conclusion, I would like to repeat my closing remarks of last year.

We remain very grateful that our Partnership structure, of self-ownership, and supportive Partners, gives us the freedom to make investment decisions to enhance the prospects for our continued long term growth notwithstanding the impact to shorter term profitability.

With 31 years of organic growth under our belt, we remain very proud of what we have achieved and excited about our future plans, supported by a strong balance sheet. The combination of creative thinking alongside our investment in technology, will allow us to expand back into our roots of the saving markets, upon which this business was founded. Our Society needs to better understand the importance of saving and the power of compounding to prepare for increasing longevity.

Our growing client and asset base, combined with our innovative approach and an outstanding team of people, gives us every confidence of our continuing growth into the future.

Going Concern

In March 2020 the World Health Organisation declared Covid-19 a pandemic. Following this the Group has successfully triggered business continuity provisions in response to Government directives in our operational centres in the UK, ensuring our ability to maintain full service delivery to our clients. Currently, all relevant staff are successfully working remotely and have full access to our technology platform that allows them to connect virtually and continue as normal on existing engagements and business development activities. The Management team is monitoring the welfare of our staff on a daily basis and is providing them with the support they need to operate effectively from remote locations.

The Group has developed a set of financial measures designed to flexibly mitigate the expected near term operational and financial and longer term economic impact of the pandemic on our business, whilst allowing the Group the ability to take advantage of the expected opportunities that we expect to emerge. Whilst these measures may be extended as events unfold, we are confident that they give flexibility and sufficient liquidity to the business to ensure that it can withstand significant shocks.

Members' report (continued)

The Members have reviewed post balance sheet performance, stress tested scenario forecasts for profitability, liquidity and capital requirements, and based on these the members have a reasonable expectation that the Group has sufficient financial and capital resources to continue as a going concern and as such have prepared the financial statements on the going concern basis.

Results for the year and allocation to Members

The profit for the year available for division among Members was £15,416,000 (2019: £15,524,000).

Members

The following were Members during the year (unless otherwise stated):

PG Killik (Senior Partner) *
MN Orr (Non Executive Partner)
FD Robinson
SJ Marsh *
KE Overend
GP Neale
MJ Gilligan
CH MacTaggart *
AM Pate
PJ Day
Templeco 658 Limited
PD Gordon
CA Manning
GL Killik
ZA Zambakides
JSB Dunn
GA Meredith
JL Spencer
JJ Sheldon
NA Crellin
MA Savage
JM O'Mahony
MT Berry
TC Scott
PM Rooney
JTJ Chester
FRD Argiolas
TJ Bennett
GR Harrison
JO Henry
PE Martin
RJA O'Neill
NG Ziegelasch
IJ King
GA Smith
S Keller
JE Hornett (appointed 1 April 2019)
M Malek (appointed 1 April 2019)
SC Threadgould (appointed 1 April 2020)

* denotes Designated Members during the year

Policy on Members' drawings, subscription and repayment of Members' capital

During the year Members receive monthly drawings representing payments on account of profits which may be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and may be reclaimed from Members until such time as profits have been allocated to them.

A level of profits is determined and allocated between Members during the year with any balance being approved and allocated after the finalisation of the financial statements.

Capital requirements are determined by the Executive Board and are reviewed at least annually. All Members are required to subscribe for a proportion of capital. Upon retirement or departure from the LLP capital is only repaid to outgoing members in accordance with the provisions in the Members' Deed where the firm has sufficient capital for FCA regulatory requirements. The timing of capital

Members' report (continued)

repayments depends on the type of Member and the LLP can repay capital over periods between one month and 5 years from departure.

Financial risks and uncertainties

There are a number of potential risks and uncertainties in business which could impact the Group's long term performance. Therefore the Group has identified, documented and monitored those risks and it ensures that there are adequate controls in place that mitigate those risks. The Risks Committee meets fortnightly and closely monitors any financial exposures or other risks of the Group, and reports each fortnight to the Executive Board.

The Group has a clearly defined operational strategy which recognises the necessity to retain strong cash reserves in case of downturns in the Group's markets. An Internal Capital Adequacy Assessment Process ('ICAAP') document has been prepared by the Group which reviews the Group's capital resources. This document considers the risks to which the business is exposed, and for the most significant risks, calculates the effect on capital if they were to materialise. The ICAAP also includes the results of various scenario analyses aimed at assessing the Group's position under turbulent market conditions.

We have identified the principal risks affecting the Group's business, and the controls in place to monitor and mitigate these risks, in the categories below:

Credit Risk

The Group undertakes client deals as agent for the client. In the event of a client default, the Group has a power of sale lien or right of set off against other investments or money in a client account, held by a third party. A daily report of any overdrawn client positions is closely monitored by the Group. Exposures to transaction counterparties are monitored closely by the Risks Committee. All institutional transactions are settled on a cash against delivery basis, and high value transactions are separately authorised. The Group does not undertake derivative business on its own account.

Market Risk

The Group holds certain fixed asset investments, which are held as strategic investments. These investments are carried at fair value. The Group does not deal on its own account so is not exposed to market risk on these dealings. Therefore, the Group is not subject to any significant position risk arising from market movements.

Liquidity Risk

The Group constantly monitors its capital resources to ensure it meets its financial obligations as they fall due. Detailed cash flow projections are produced and monitored against actual cash balances each week by the Executive Board, who also receive a daily report on cash movements. To maximise investment return, the Group places surplus funds on deposit with major UK financial institutions. Regular credit reviews are carried out on those financial institutions.

Interest rate risk

The Group has interest bearing assets. Interest bearing assets comprise only cash and cash equivalents which earn interest at a variable rate.

Members' report (continued)

Financial risks and uncertainties (continued)

Foreign currency exchange rate risk

The Group is exposed to low levels of foreign currency exchange rate risk as and when it transacts in foreign currency, although it does not regularly hold positions in non-sterling currencies.

Pillar 3 Disclosure

The LLP was authorised and regulated by the FCA throughout the current and prior periods. The qualitative and quantitative disclosures to comply with Pillar 3 of the FCA Capital Requirement Directive can be found on our website at www.killik.com.

Members' Responsibilities Statement

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

Company law as applied to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law as applied to limited liability partnerships 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 limited liability partnership and of the group and of the profit or loss of the group for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 limited liability partnership and group will continue in business.

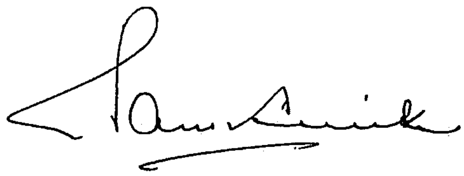
The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships. They are also responsible for safeguarding the assets of the limited liability partnership and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members' report (continued)

Auditors

Nexia Smith & Williamson are deemed to be re-appointed as auditor.

Approved by the Members
and signed on their behalf



PG Killik
Senior Member
23 July 2020

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILLIK & CO LLP

Opinion
We have audited the financial statements of Killik & Co LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent limited liability partnership Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and limited liability partnership Reconciliation of Members' Interests including statements of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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

Emphasis of matter - impact of COVID-19
We draw attention to note 2 of the financial statements, which describes the impact of COVID-19 on the parent limited liability partnership and the group. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILLIK & CO LLP (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

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

Responsibilities of members
As explained more fully in the members' responsibilities statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the group's and the parent limited liability partnership'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 members either intend to liquidate the group or the parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

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

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

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILLIK & CO LLP (continued)

Use of our report

This report is made solely to the parent limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the parent limited liability partnership'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 parent limited liability partnership and the parent limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Guy Swarbreck
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
27 July 2020

25 Moorgate
London
EC2R 6AY

Consolidated Statement of Comprehensive Income for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Turnover	2	52,204	47,837
Cost of sales		(5,940)	(5,008)
Gross profit		46,264	42,829
Administrative expenses		(27,892)	(24,613)
Operating profit		18,372	18,216
Other income		-	-
Interest receivable and similar income		107	135
Profit for the financial year before Members' remuneration and profit share		18,479	18,351
Members' remuneration charged as an expense		(3,039)	(2,783)
Profit before taxation	5	15,440	15,568
Taxation	7	(24)	(44)
Profit for the financial year available for discretionary division among Members		15,416	15,524
Other comprehensive income		-	-
Total comprehensive income		**15,416**	**15,524**

Consolidated Statement of Financial Position as at 31 March 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	8	1,745	1,130
Investments	9	331	337
		2,076	1,467
Current assets			
Debtors	10	14,479	12,210
Cash at bank		15,929	17,851
		30,408	30,061
Creditors: amounts falling due within one year	11	(7,006)	(6,005)
Net current assets		23,402	24,056
Total assets less current liabilities		25,478	25,523
Provisions for liabilities	12	(412)	(607)
Net assets attributable to Members		25,066	24,916
Represented by:			
Loans and other debts due to Members within one year			
Other amounts		1,907	2,377
Equity			
Members' capital		16,344	16,344
Other reserves		6,815	6,195
		25,066	24,916
Total Members' interests			
Members' capital		16,344	16,344
Amounts due from Members		(251)	(224)
Loans and other debts due to Members		1,907	2,377
Other reserves		6,815	6,195
		24,815	24,692

The financial statements were approved by the Members on 23 July 2020 and were signed on their behalf by:

PG Killik
Senior Member

Reconciliation of Consolidated Members' interests including Statement of Changes in Equity – Group

	Members' capital	Other reserves	Total Equity	Loans and other debts due to Members	Total
	£'000	£'000	£'000	£'000	£'000
Amounts due from Members	-	-	-	(278)	(278)
Amounts due to Members	16,307	6,897	23,204	2,759	25,963
Members' interests at 1 April 2018	16,307	6,897	23,204	2,481	25,685
Capital introduced	107	-	107	-	107
Capital repaid	(70)	-	(70)	-	(70)
Members' remuneration charged as an expense	-	-	-	2,783	2,783
Profit for the financial year available for division among the Members	-	15,524	15,524	-	15,524
Members' interests after profit for the year	16,344	22,421	38,765	5,264	44,029
Allocated profits	-	(16,226)	(16,226)	16,226	-
Drawings	-	-	-	(19,337)	(19,337)
Amounts due from Members	-	-	-	(224)	(224)
Amounts due to Members	16,344	6,195	22,539	2,377	24,916
Members' interests at 31 March 2019	16,344	6,195	22,539	2,153	24,692
Capital introduced	100	-	100	-	-
Capital repaid	(100)	-	(100)	-	-
Members' remuneration charged as an expense		-	-	3,039	3,039
Profit for the financial year available for division among the Members		15,416	15,416	-	15,416
Members' interests after profit for the year	16,344	21,611	37,955	5,192	43,147
Allocated profits	-	(14,796)	(14,796)	14,796	-
Drawings	-	-	-	(18,332)	(18,332)
Amounts due from Members	-	-	-	(251)	(251)
Amounts due to Members	16,344	6,815	23,159	1,907	25,066
Members' interests at 31 March 2020	16,344	6,815	23,159	1,656	24,815

In the event of the Group winding up, members capital, loans and other debts to Members would rank equally with unsecured creditors.

Consolidated Statement of Cash Flows for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Operating Profit for the financial year		18,372	18,216
Adjustments for:			
Depreciation of tangible assets		648	444
Loss on sale of tangible assets		3	3
Fair value adjustments		6	2
Taxation		(108)	(79)
Payments to members		(18,332)	(19,337)
(Increase)/decrease in trade and other debtors		(2,269)	206
Increase in trade and other creditors		917	151
Net cash generated from operating activities		**(763)**	**(394)**
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,266)	(698)
Proceeds on sale of fixed asset investments		-	-
Purchases of investments		-	-
Interest received		107	135
Net cash generated in investing activities		**(1,159)**	**(563)**
Cash flows from financing activities			
Capital contributions by members		100	107
Capital repayments to members		(100)	(70)
Net cash generated in financing activities		**-**	**37**
Net (decrease)/increase in cash and cash equivalents		**(1,922)**	**(920)**
Cash and cash equivalents at the beginning of the year		17,851	18,771
Cash and cash equivalents at the end of the year		**15,929**	**17,851**
Components of cash and cash equivalents			
Cash		15,929	17,851

LLP Statement of Financial Position as at 31 March 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	8	1,122	538
Investments	9	431	437
		1,553	975
Current assets			
Debtors	10	15,672	13,177
Cash at bank		15,075	17,116
		30,747	30,293
Creditors: amounts falling due within one year	11	(6,453)	(5,421)
Net current assets		24,294	24,872
Total assets less current liabilities		25,847	25,847
Provisions for liabilities	12	(412)	(607)
Net assets attributable to Members		25,435	25,240
Represented by:			
Loans and other debts due to Members within one year			
Other amounts		1,907	2,377
Equity			
Members' capital		16,344	16,344
Other reserves		7,184	6,519
		25,435	25,240
Total Members' interests			
Members' capital		16,344	16,344
Amounts due from members		(251)	(224)
Loans and other debts due to Members		1,907	2,377
Other reserves		7,184	6,519
		25,184	25,016

In accordance with Section 408 of the Companies Act 2006 (as modified for application of LLPs), Killik & Co LLP have taken advantage of the legal dispensation not to present its own income statement. The amount of profit for the financial period before Members' remuneration and profit share is £18,500,000 (2019: £18,484,000).

The financial statements were approved by the Members on 23 July 2020 and were signed on their behalf by:

PG Killik
Senior Member

Reconciliation of Members' interests including Statement of Changes in Equity – LLP

	Members' capital	Other reserves	Total Equity	Loan and other debts due to Members Other amounts	Total
	£'000	£'000	£'000	£'000	£'000
Amounts due from Members	-	-	-	(278)	(278)
Amounts due to Members	16,307	7,044	23,351	2,759	26,110
Members' interests at 1 April 2019	16,307	7,044	23,351	2,481	25,832
Capital introduced	107	-	107	-	107
Capital repaid	(70)	-	(70)	-	(70)
Members' remuneration charged as an expense	-	-	-	2,783	2,783
Profit for the financial year available for division among the Members	-	15,701	15,701	-	15,701
Members' interests after profit for the year	16,344	22,745	39,089	5,264	44,353
Allocated profits	-	(16,226)	(16,226)	16,226	-
Drawings	-	-		(19,337)	(19,337)
Amounts due from Members	-	-	-	(224)	(224)
Amounts due to Members	16,344	6,519	22,863	2,377	25,240
Members' interests at 31 March 2019	16,344	6,519	22,863	2,153	25,016
Capital introduced	100	-	100	-	100
Capital repaid	(100)	-	(100)	-	(100)
Members' remuneration charged as an expense	-	-	-	3,039	3,039
Profit for the financial year available for division among the Members	-	15,461	15,461	-	15,461
Members' interests after profit for the year	16,344	21,980	38,324	5,192	43,516
Allocated profits	-	(14,796)	(14,796)	14,796	-
Drawings	-	-	-	(18,332)	(18,332)
Amounts due from Members	-	-	-	(251)	(251)
Amounts due to Members	16,344	7,184	23,528	1,907	25,435
Members' interests at 31 March 2020	16,344	7,184	23,528	1,656	25,184

In the event of the LLP winding up, members capital, loans and other debts to Members would rank equally with unsecured creditors.

Notes to the financial statements for the year ended 31 March 2020

1 Statutory information

Killik & Co LLP is a Limited Liability Partnership domiciled in England and Wales, registration number OC325132. The registered office is 46 Grosvenor Street, London, W1K 3HN.

2 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the requirements of the statement of recommended practice Accounting for Limited Liability Partnerships and the Financial Conduct Authority. There were no material departures from those standards. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain investments and liabilities as specified in the accounting policies below.

Exemptions

The LLP has taken advantage of the exemption from preparing a statement of cash flows available under FRS 102.

The LLP has taken advantage of the exemption from the disclosure of key management personnel remuneration.

Going concern

In March 2020 the World Health Organisation declared Covid-19 a pandemic. Following this the Group has successfully triggered business continuity provisions in response to Government directives in our operational centres in the UK, ensuring our ability to maintain full service delivery to our clients. Currently, all relevant staff are successfully working remotely and have full access to our technology platform that allows them to connect virtually and continue as normal on existing engagements and business development activities. The Management team is monitoring the welfare of our staff on a daily basis and is providing them with the support they need to operate effectively from remote locations.

The Group has developed a set of financial measures designed to flexibly mitigate the expected near term operational and financial and longer term economic impact of the pandemic on our business, whilst allowing the Group the ability to take advantage of the expected opportunities that we expect to emerge. Whilst these measures may be extended as events unfold, we are confident that they give flexibility and sufficient liquidity to the business to ensure that it can withstand significant shocks. The Members have reviewed post balance sheet performance, stress tested scenario forecasts for profitability, liquidity and capital requirements, and based on these the members have a reasonable expectation that the Group has sufficient financial and capital resources to continue as a going concern and as such have prepared the financial statements on the going concern basis.

Basis of consolidation

The consolidated financial statements comprise the results, assets and liabilities of the LLP and its subsidiary entities, defined as entities that the LLP controls and has beneficial interests in. All subsidiary entities have been consolidated under acquisition accounting principles. Where an investment in a subsidiary is held exclusively with a view for subsequent resale this subsidiary is not consolidated into the financial statements and is held at cost less provision for impairment.

Notes to the financial statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Turnover

Turnover comprises gross stockbroking commission and related income from investment business and associated activities less commissions paid away to external introducers of business.

Revenue from stockbroking, including related charges and foreign exchange, is recognised at the point of trade execution.

Net interest earned on client free money balances is accrued by reference to the remaining portion of the financial period and the total of the free money balances at the close of business of the previous trading day.

Revenue from the provision of custody services is accrued by reference to the remaining proportion of the financial year, the expected number of physical holdings in the Group's nominee accounts and the number of client accounts at the next quarterly charging date.

Fees receivable for investment management services are based on the value of client holdings. They include amounts invoiced during the year plus amounts accrued by reference to the remaining portion of the financial period and the expected mid-market value of such holdings at the next quarterly charging date.

Leases

Rental payments under non-cancellable leases are charged to the Statement of Comprehensive Income in equal amounts over the lease term.

Pension costs

The Group operates a defined contribution pension scheme for all eligible staff. The amount contributed by the Group is linked to length of service. Pension contributions are charged to the Statement of Comprehensive Income in the period to which they relate.

Allocation of profits and drawings

The appropriation of the profit after the deduction of staff bonuses and Members' remuneration charged as an expense is allocated to Members according to their individual interest in the LLP and their performance during the year, with any balance being approved and allocated after the year end. Prior to allocation, profits are recorded in other reserves and subsequent to allocation the appropriate amount is transferred to loans and other debts due to Members. During the year Members receive monthly drawings representing payments on account of profits which may be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and may be reclaimed from Members until such time as profits have been allocated to them. Drawings in excess of allocated profits are included within debtors. Unallocated profits at year end are included within equity as 'other reserves'.

Notes to the financial statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Capital

Capital is only repaid to outgoing Members in accordance with the provision in the Members' Deed where the LLP has sufficient capital for FCA regulatory requirements. As such it is accounted for as equity.

Tangible fixed assets and depreciation

Tangible fixed assets are recorded at the cost of acquisition.

Design and content development costs are capitalised under computer software only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and the content are next updated, the costs of developing the design and content are charged to the Statement of Comprehensive Income as incurred. All planning costs are charged to the Statement of Comprehensive Income as incurred.

Depreciation on tangible fixed assets is calculated so as to write down the cost to their estimated residual values by equal instalments over the period of their useful economic lives, which are considered to be:

Leasehold improvements – the remaining period of the lease or the next break clause;
Fixtures and fittings – between 3 and 10 years; and
Computer equipment and software – between 2 and 4 years.

The useful economic life of each tangible fixed asset is reviewed at the end of each reporting period and revised if expectations are significantly different from previous estimates. The carrying amount of the tangible fixed asset at the date of revision is depreciated over the revised remaining useful economic lifetime.

Fixed asset investments

Investments in subsidiaries are measured at cost less any impairment. Investments in businesses held for the long term over which the Group does not exert significant influence, are measured at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income.

Provisions for claims

Provisions for claims by clients are considered on a notified basis. Each case is assessed to the extent that the claim is deemed valid, whether an appeal has been made to the Financial Ombudsman and whether any provision may be covered by Professional Indemnity Insurance.

Notes to the financial statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Dilapidations provision

At the end of each reporting period, an assessment is made of the expected cost of meeting the dilapidation repairs under property leases to the extent that such an amount can be reasonably determined. Where this can be determined, an equal amount is charged to the Statement of Comprehensive Income for each remaining year of the lease so as to ensure there are sufficient amounts provided to cover the cost of dilapidation repairs at the end of the lease term.

Taxation

While there is no requirement to accrue for tax payable by Members, separate balances are retained by the LLP within loans and other debts due to members although not separately disclosed in the financial statements to ensure that an estimate of their future tax liabilities can be met. The amount accrued at the period end is an accounting estimate of future liabilities in relation to the profit share for the period and, where there is any shortfall in the estimate, it is the responsibility of the individual Member to ensure that their full tax liability is extinguished as necessary.

Corporation tax

The subsidiaries included in these consolidated financial statements are subject to corporation tax. The tax expense for the year comprises current tax. Tax is recognised in the Statement of Comprehensive Income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end date in the countries where the company operates and generates income.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Investments in listed shares are classified as basic financial instruments. They are measured at fair value with changes in fair value being recognised in the Statement of Comprehensive Income.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank.

Killik Intelligent Savings Limited is authorised to hold client money. As it held de minimis amounts disclosures about client money holdings are immaterial.

Notes to the financial statements for the year ended 31 March 2020 (continued)

3 Key sources of estimation uncertainty and judgements (continued)

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

Client claims provision
A full review of potential client claims is carried out at the fortnightly Risks Committee. Each claim is reviewed individually to determine the likelihood of compensation being paid. Individual client claims above £75,000 are covered through insurance. Whilst every attempt is made to ensure that the client claims provision is as accurate as possible there remains a risk that the provision does not match the level of compensation paid. The client claims provision at 31 March 2020 was £293,000 (2019: £477,000).

Dilapidations provision
A review of the cost of meeting the dilapidation repairs for each property lease is conducted at the year end and the cost is charged to the Statement of Comprehensive Income. Although every attempt is made to ensure that the dilapidations provision is as accurate as possible there remains a risk that the provision does not match the cost of repairs needed. The dilapidations provision at 31 March 2020 was £119,000 (2019: £130,000).

Recoverability of amounts due from related parties
At the year end the Group was owed £1,640,000 (2019: £2,111,000) from Buzz Software Limited, a related party of the group. The recoverability of this balance is based on the successful implementation of the business plan of Buzz Software Limited. The members have a reasonable expectation of the successful implementation of the business plan and have not provided against the balance due, however these is a risk that ultimately all of this balance is not recoverable.

4 Turnover

An analysis of the Group's turnover is set out below. The revenue is wholly derived from the UK.

	2020	**2019**
	£'000	**£'000**
Commissions	22,907	20,729
Ad Valorem Fee	16,187	15,409
Custody Charges	6,868	5,783
Other	6,242	5,916
	52,204	47,837

Notes to the financial statements for the year ended 31 March 2020 (continued)

5 Profit before tax

	2020 £'000	2019 £'000
Is stated after charging the following:		
Salaries and wages (including staff bonuses)	12,538	11,090
Social security costs	1,067	965
Pension contributions	996	870
Depreciation	646	444
Operating lease charges	1,947	1,336
Changes in fair value of investments	(6)	(2)
Auditor's remuneration is as follows:		
Fees payable for the audit of the LLP's financial statements	58	58
Fees payable for the audit of the subsidiaries	13	13
Fees payable for other services to the Group	16	16
	87	87
Tax services provided to the Group and its Members	117	75

The average number of employees in the Group during the year was 245 (2019: 201).

Included within operating profit is a £742,000 (2019: £304,000) charge for contributions to the FSCS Compensation Levy. This is in respect of this firm's allocated portion of the costs of compensating clients for failures of other financial services organisations.

6 Information in relation to Members

	2020 Number	2019 Number
The average number of Members during the year was:	37	36

The amount of profit attributable to the Member with the largest entitlement was £4,839,811 (2019: £4,662,374), which is determined by reference to the share of profit in the year to 31 March 2020.

Notes to the financial statements for the year ended 31 March 2020 (continued)

7	**Tax on profit on ordinary activities**	**2020 £'000**	**2019 £'000**
(a)	UK corporation tax at 19% (2019: 19%)	24	44
	Adjustments to tax charge in respect of prior years	-	-
		-	-
	Deferred tax	-	-
		24	44
(b)	Factors affecting tax charge for year		
	Profit on ordinary activities before tax	15,440	15,524
	Profits subject to personal tax	(14,887)	(15,028)
	Profit subject to corporation tax	553	496
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	105	92
	Effect of:		
	Expenses not deductible for tax purposes		-
	Other differences leading to an increase/(decrease) in the tax charge		50
	Adjustments in respect of prior years	(81)	-
	Tax charge for year	24	44

Notes to the financial statements for the year ended 31 March 2020 (continued)

8 Tangible fixed assets

Group	**Leasehold improvements**	**Fixtures and fittings**	**Computer equipment and software**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 31 March 2019	2,274	570	1,669	4,513
Additions	834	49	383	1,266
Disposals	(67)	(83)	(60)	(210)
At 31 March 2020	3,041	536	1,992	5,569
Depreciation				
At 31 March 2019	1,779	527	1,077	3,383
Charge for the year	266	32	350	648
Disposals	(67)	(83)	(57)	(207)
At 31 March 2020	1,978	476	1,370	3,824
Net book value				
At 31 March 2020	1,063	60	622	1,745
At 31 March 2019	495	43	592	1,130

Notes to the financial statements for the year ended 31 March 2020 (continued)

8 Tangible fixed assets LLP

	Leasehold improvements	Fixtures and fittings	Total
	£'000	£'000	£'000
Cost			
At 31 March 2019	2,274	570	2,844
Additions	834	50	884
Disposals	(68)	(83)	(151)
At 31 March 2020	3,040	537	3,577
Depreciation			
At 31 March 2019	1,779	527	2,306
Charge for the year	267	32	299
Disposals	(67)	(83)	(150)
At 31 March 2020	1,979	476	2,455
Net book value			
At 31 March 2020	1,061	61	1,122
At 31 March 2019	495	43	538

Notes to the financial statements for year ended 31 March 2020 (continued)

9 Fixed asset investments Group

Fixed asset investments Group	As at 31 March 2019	Additions	Disposals	Revaluation	As at 31 March 2020
	£'000	£'000	£'000	£'000	£'000
Other fixed asset investments	337	-	-	(6)	331
	337	-	-	(6)	331

Fixed asset investments LLP	As at 31 March 2019	Additions	Disposals	Revaluation	As at 31 March 2020
	£'000	£'000	£'000	£'000	£'000
Investment in subsidiaries	100	-	-	-	100
Other fixed asset investments	337	-	-	(6)	331
	437	-	-	(6)	431

Notes to the financial statements for the year ended 31 March 2020 (continued)

9 Fixed Asset Investments (continued)
LLP

The LLP has beneficial interests in the following subsidiary entities registered in Great Britain, unless otherwise stated.

Company	Description of shares held	Proportion of nominal value of shares	Activity
Killik & Co Holdings Limited	£1 Ordinary	100%	Holding company
Killik & Co (Nominees) Limited(*)	£1 Ordinary	100%	Nominee company
Killik & Co Trustees Limited(*)	£1 Ordinary	100%	Provision of trustee services
Killik Employee Share Services Limited(*)	£1 Ordinary	100%	Administration of company share option plans
Killik & Co Spread Betting Limited	£1 Ordinary	100%	Spreadbetting License Holder/Dormant
Killik & Co Middle East & Asia LLP	Not applicable	100%	Dormant
Killik Services Limited	£1 Ordinary	100%	Provision of Support Services
Killik Intelligent Savings Limited (**)	£1 Ordinary	100%	Provision of financial services through innovative software solutions
Killik Nominees Limited	£1 Ordinary	100%	Nominee company

* held via Killik & Co Holdings Limited
** held via Killik Services Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

10 Debtors

Group	**2020 £'000**	**2019 £'000**
Falling due within one year:		
Trade debtors	161	171
Other debtors	1,885	2,337
Amounts due from Members	251	224
Prepayments and accrued income	12,133	9,438
	14,430	12,170
Falling due after more than one year:		
Other debtors	49	40
	14,479	12,210

LLP	**2020 £'000**	**2019 £'000**
Falling due within one year:		
Trade debtors	161	171
Due from subsidiary undertakings	1,516	1,301
Other debtors	1,692	2,158
Amounts due from Members	251	224
Prepayments and accrued income	12,003	9,283
	15,623	13,137
Falling due after more than one year:		
Other debtors	49	40
	15,672	13,177

Notes to the financial statements for the year ended 31 March 2020 (continued)

11 Creditors

Group	**2020 £'000**	**2019 £'000**
Amounts falling due within one year:		
Trade creditors	454	359
Corporation tax	16	100
Other taxation and social security costs	956	897
Other creditors	3,792	2,841
Accruals	1,788	1,808
	7,006	6,005

Creditors

LLP	**2020 £'000**	**2019 £'000**
Amounts falling due within one year:		
Trade creditors	426	323
Due to subsidiary undertakings	100	100
Other taxation and social security costs	631	602
Other creditors	3,510	2,602
Accruals	1,786	1,794
	6,453	5,421

12 Provisions for liabilities and charges

Group and LLP

Provisions are made for client claims and property dilapidations. The movement is analysed as follows:

	Client Claims £'000	**Dilapidations £'000**	**Total £'000**
Balance as at 1 April 2019	477	130	607
Credited to the statement of comprehensive income	(184)	(11)	(195)
	293	119	412

Notes to the financial statements for the year ended 31 March 2020 (continued)

13 Related parties and related party transactions

In accordance with FRS102, transactions between the LLP and its wholly owned subsidiaries, which are related parties, have been eliminated on consolidation.

Staff costs and other administrative expenses of £382,905 (2019: £377,165) were recharged to The Orr Mackintosh Foundation Limited, a charitable organisation of which a Member of Killik & Co LLP, is a trustee. At the year end the balance due from The Orr Mackintosh Foundation Limited was £29,648 (2019: £61,228).

Killik & Co LLP provided loans of £nil (2019: £nil) to Buzz Software Limited, an organisation which is under the ultimate control of Paul Killik, during the year under a loan agreement which charges interest at 0.5%, is unsecured and repayable on demand. At the year end the balance due from Buzz Software Limited was £1,640,000 (2019: £2,111,000).

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the LLP. In the opinion of the members, the key management are the designated members, members and employees who are members of the Executive Board.

Information regarding their compensation is given below in aggregate for each of the categories specified in FRS 102.

	2020 £'000	2019 £'000
Short-term employee benefits	-	-
Share of allocation of profits	5,992	7,197
	5,992	7,197

Notes to the financial statements for the year ended 31 March 2020 (continued)

14 Financial instruments

The Group's financial instruments comprise fixed asset investments, cash and cash equivalents and items such as trade and other debtors and trade and other creditors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The Group's operations expose it to a variety of financial risks including credit risk, market risk, liquidity risk, interest rate risk and foreign currency exchange rate risk. The members have delegated the responsibility of monitoring financial risk management to the Risks Committee which is a sub-committee of the Executive Board. The policies set by the Board are implemented by the Group's Finance and Operations departments.

Credit risk
The Group's credit risk is primarily attributable to its trade debtors and amounts due from its settlement custodian. In the event of a client default, the Group has a power of sale lien or right of set off against other investments or money in a client account, held by a third party. A daily report of any overdrawn client positions is closely monitored by the Group. Exposures to transaction counterparties are monitored closely by the Risks Committee.

The carrying amount of financial assets represents the maximum credit exposure.

Market risk
The Group holds certain fixed asset investments which are held as strategic investments. These investments are carried at fair value and denominated in sterling. The Group does not deal on its own account so is not exposed to market risk on these dealings. Therefore, the Group is not subject to any significant position risk or foreign currency risk arising from market movements.

Liquidity risk
The Group actively maintains a positive cash balance that is designed to ensure it has sufficient available funds for operations and planned expansions. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The Group's financial liabilities (none of which are derivative financial liabilities) comprise trade creditors, other creditors and accruals which are measured at amortised cost. The trade creditors are all payable within each supplier's specified credit terms.

Interest rate risk
The Group has interest bearing assets. Interest bearing assets comprise only cash and cash equivalents which earn interest at a variable rate.

Foreign currency exchange rate risk
The Group is exposed to low levels of foreign currency exchange rate risk as and when it transacts in foreign currency, although it does not regularly hold positions in non-sterling currencies.

Notes to the financial statements for the year ended 31 March 2020 (continued)

14 Financial instruments (continued)

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Group defines capital as being Members' capital plus equity reserves. The Executive Board monitors the level of capital as compared to operational and regulatory capital requirements and adjusts as necessary by increasing members' capital and paying distributions.

The LLP is subject to externally imposed capital restrictions and Killik Intelligent Savings Limited, as another group regulated company is subject to externally imposed regulatory capital requirements/capital restrictions.

Financial instruments – LLP
The LLP's financial instruments comprise cash at bank, receivables and payables. The carrying amount of financial assets represents the maximum credit exposure.

The LLP's financial liabilities, which are all non-derivatives, comprise trade and other creditors, accruals and amounts owed to group undertakings which are recorded at amortised cost.

The LLP's exposure to equity price risk is the same as the Group's exposure, as disclosed above.

Financial instruments - Group	**2020**	**2019**
	£'000	**£'000**
Financial assets measured at fair value		
Fixed asset investments	331	337
Financial assets measured at amortised cost		
Trade and other debtors	2,346	2,772
Accrued income	10,419	8,020
	12,765	10,792
Financial liabilities measured at amortised cost		
Trade and other creditors	(5,218)	(4,197)
Accruals	(1,788)	(1,808)
	(7,006)	(6,005)

Notes to the financial statements for the year ended 31 March 2020 (continued)

14 Financial instruments (continued)

Financial instruments - LLP	**2020 £'000**	**2019 £'000**
Financial assets measured at fair value		
Fixed asset investments	431	437
Financial assets measured at amortised cost		
Trade and other debtors	3,669	3,894
Accrued income	10,419	8,020
	14,088	11,914
Financial liabilities measured at amortised cost		
Trade and other creditors	(4,667)	(3,627)
Accruals	(1,786)	(1,794)
	(6,453)	(5,421)

15 Operating lease commitments

At 31 March 2020 the Group had total commitments under non-cancellable operating leases as detailed below:

Group and LLP 2020	**Land and buildings**	**Other**	**Total**
	£'000	**£'000**	**£'000**
Leases which expire:			
Within one year	1,708	304	2,012
Within two to five years	5,935	845	6,780
After five years	2,731	-	2,731
	10,374	1,149	11,523

Group and LLP 2019	**Land and buildings**	**Other**	**Total**
	£'000	**£'000**	**£'000**
Leases which expire:			
Within one year	1,596	129	1,725
Within two to five years	5,654	141	5,795
After five years	3,815	-	3,815
	11,065	270	11,335

Notes to the financial statements for the year ended 31 March 2020 (continued)

16 Contingent liabilities

In the ordinary course of business, the LLP has given Letters of Indemnity in respect of lost certified stock transfers and share certificates. The contingent liability arising therefore cannot be quantified, but it is not believed that any material liability will arise under these indemnities.

Under the contract with the LLP's clearing firm, there is a right of recourse to the LLP in respect of unsettled bargains outstanding for more than 30 days past settlement date. It is not believed that any material liability will arise under this provision.

17 Ultimate controlling party

The ultimate controlling party at 31 March 2020 and 31 March 2019 is considered to be Paul Killik.