

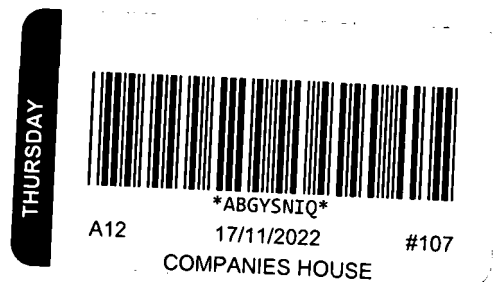
Company registration number: SC102144

## **Adam & Company Investment Management Limited**

### **Reports and financial statements**

For the period ended

31 March 2022



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## Company Information

### The Board of Directors

D Esfandi  
S Massey  
J McAleenan  
G Storrie

### Registered Office

40 Princes Street  
Edinburgh  
Scotland  
EH2 2BY

### Registered number

SC102144

### Auditor

Ernst & Young LLP  
25 Churchill Place  
London  
E14 5EY

## Strategic Report

The directors present their Strategic Report for Adam & Company Investment Management Limited (the "Company") for the 15 month period ended 31 March 2022. The comparatives are the year ended 31 December 2020.

### Principal Activities

The principal activity of the Company continues to be the provision of wealth management services in the UK. The Company is authorised and regulated by the Financial Conduct Authority.

### Review of the business

In October 2021 the Company was acquired from the Natwest Group by Canaccord Genuity Wealth Limited, a subsidiary undertaking of Canaccord Genuity Group Inc.. The Company continues to provide wealth management services.

The Company's key performance indicators are set out in the table below.

	15 months to March 2022	12 months to December 2020
	£'000	£'000
Revenue (from continuing operations, annualised)	11,761	10,701
Profit before tax (from continuing operations, annualised)	3,934	3,300

Annualised revenues have shown a 9.9% uplift from the prior year. Annualised profits have shown a 19.22% uplift versus the prior year. This has been driven by staff cost savings, the average number of staff in the period to 31 March 2022 was 21 (2020 – 36).

The Company continues to operate a hybrid/flexible working policy which facilitates, where in the interests of the Company and its clients, continued working from home for part of the working week centred around a minimum of 3 days per week on the Company premises, thus emphasising that the Company still operates as "an office-based business".

The Company also continues to monitor the ongoing recovery, be it economic or societal, from the Covid-19 pandemic and any government policy statements on working practices or similar should the recovery deviate from the current trajectory.

However, at the time of writing, there is ongoing volatility caused by rising inflation across the world and the war in Ukraine. The Company is well positioned to meet the continuing challenges of this uncertainty.

## Strategic Report *(continued)*

### Principal risks and uncertainties

The Company maintains an effective and appropriate corporate governance and risk management infrastructure through a committee structure. The key level 1 risks facing the Company, are financial, conduct, and operational risks. Underlying each of these risks, the firm has identified level 2 risk categories which include, but are not limited to, reputational, regulatory, processing, credit, market, and liquidity risk. Full details on the firm's risk taxonomy and principal risks are summarised below. In the case of risks related to financial instruments those are also detailed further in note 15 to the financial statements.

Level 1 Risk	Level 2 Risk	Description
<i>Financial Risk</i>	<i>Credit risk</i>	Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks. An impairment analysis is performed at each reporting date on an individual basis for major clients and counterparties. In addition, many minor receivables are grouped into homogenous groups and assessed for impairment collectively. Credit risk exposure arising from the placement of deposits with banks is mitigated through the placement of funds with banks with high credit ratings. The carrying amount of financial assets recorded in the financial statements, which is net of any impairment losses, represents the Company's maximum exposure to credit risk.
	<i>Liquidity risk</i>	<p>Liquidity risk is the risk that the Company is unable to generate sufficient cash or other liquid assets in a timely and cost-effective manner to meet its commitments as they become due. The Company has several systems, policies and processes in place to monitor and manage regulatory capital requirements, working capital needs and cash flows to help provide a sufficient buffer against liquidity risk.</p> <p>Given the nature of the Company's business, the Company does not run liquidity mismatches. Financial liabilities are on the whole short term and the Company has access to resources to cover its immediate liabilities as disclosed in note 15.</p>

**Strategic Report** *(continued)***Principal risks and uncertainties** *(continued)*

<b>Level 1 Risk</b>	<b>Level 2 Risk</b>	<b>Description</b>
<b>Financial Risk</b>	<b>Market risk</b>	The Company has no direct exposure to market risk on its balance sheet however a significant proportion of its revenue stream is based on the value of the investments that it manages for clients. The Company mitigates this risk by active management of its clients' assets, by maintaining the ability to reduce costs in the event of revenue declines and by maintaining sufficient capital and liquidity buffers to absorb short term losses.
<b>Conduct Risk</b>	<b>Business model &amp; strategy risk</b>	Business model & strategy risk is the risk the Company that does not respond in an optimal manner to changing market conditions such that sustainable growth, market share or profitability is adversely affected. This risk can arise from both strategic decisions which fail to consider the current operating environment or can be influenced by external factors such as material changes in regulation, or legislation within the financial services sector. The firm's business model is reviewed on a frequent basis within the context of its risk appetite statement.
	<b>Performance &amp; advice risk</b>	<p>Performance &amp; advice risk is the risk that clients receive inappropriate financial, planning or investment advice, inadequate documentation or unsuitable portfolios resulting in a failure to meet client's investment and/or other objectives or expectations. This can arise through a failure to appropriately understand the wealth management needs of our clients and a failure to apply suitable advice or investment strategies, along with having inadequate tools and systems in place to support our client facing financial professionals.</p> <p>The firm has implemented a range of tools to support client facing financial professionals to ensure products and services are suitable and result in positive outcomes for clients. Furthermore, a centralised investment process, including advice and solution panels for wealth planning, is in place to ensure consistency across client portfolios and suitable models.</p>
<b>Conduct Risk</b>	<b>Regulatory risk</b>	<p>The Company's business is regulated by the FCA and a breach of regulations could lead to a fine or disciplinary action against the Company. The Company monitors actual and impending changes in regulation in order to assess the impact on its business and plans, to ensure any changes are implemented in a timely manner.</p> <p>The firm has a dedicated Compliance function to provide advice and support the business in maintaining adherence to the regulatory requirements. Furthermore, monitoring is in place to ensure operational adherence to systems and controls implemented by the firm for regulatory purposes.</p>
	<b>Reputational risk</b>	Reputational risk is the risk that an entity's ability to conduct business will be damaged as a result of its reputation being tarnished, including as a result of regulatory censure. The Company has policies and procedures in place to manage this risk to the extent possible which include, inter alia, procedures for employee hiring, the taking on of new business and conduct of business rules. It also has policies and procedures to counter fraud and corruption.

**Strategic Report** *(continued)***Principal risks and uncertainties** *(continued)*

Level 1 Risk	Level 2 Risk	Description
<b>Operational risk</b>	<b>Business change &amp; Integration</b>	<p>Where the firm is undertaking a change initiative, there is the risk that planning or implementation of the change, including the integration of an acquired firm, is ineffective or fails to deliver the desired outcome, the impact of which may lead to unmitigated financial exposures. This risk can emerge if the business is too aggressive and unstructured within its change programme to manage project risks, resource capacity and capabilities to deliver business benefits. Failure may also result in adverse client outcomes, inefficiencies and economic cost or a reduction in the sustainability and effectiveness of the Company's operating model.</p> <p>A Business Change Management Committee is in place to oversee all change activities ensuring that the level of change remains reasonable and proportionate in the context of business nature and size, and any identified risks are mitigated prior to implementation.</p>
	<b>Business continuity</b>	<p>Business continuity risk is the risk that an internal or external event results in either failure or detriment to core business processes or services. The firm is exposed to interruption of services which may impact its ability to conduct client business as a result of system failure, corruption or failure of network infrastructure, denial of access to premises, denial of services through a cyber security threat, cessation of a vendor or service provider, and failure in the firm's disaster recovery plan to address any particular incident. The firm has business continuity arrangements in place that are aligned with international standards to ensure and maintain resilience where a disruptive event was to occur.</p>
	<b>Data security &amp; integrity</b>	<p>Data security &amp; integrity risk is the risk of a lack of integrity, inappropriate access to (or disclosure of) client or company sensitive information. This risk can arise from the firm failing to maintain and keep secure at all times sensitive and confidential data through its operating infrastructure, including activities of employees and cyber threats.</p> <p>Applicable information security and data privacy systems and controls have been put in place to manage and mitigate any exposure to this area of risk in accordance with industry standards and regulatory requirements.</p>
	<b>Fraud risk</b>	<p>Fraud risk is the risk of fraudulent action, either internal or external, being taken against the firm and its clients. This risk can arise from failures to implement appropriate management controls to detect or mitigate impropriety either within or external to the business and services provided.</p> <p>To mitigate this risk, all firm controls require segregation of duties and 4-eye checks were applicable. Furthermore, monitoring is undertaken across those areas considered to be of higher fraud risk.</p>
	<b>Legal risk</b>	<p>Legal risk is the risk of legal action being taken against the firm or failure to comply with legislative requirements resulting in financial loss and reputational damage. The risk can arise from inappropriate behaviour of individuals or from the inadequate drafting of the firm's contractual documentation. The firm has access to appropriate legal resources, internally and externally, to ensure all legal risks are mitigated.</p>

**Strategic Report** *(continued)***Principal risks and uncertainties** *(continued)*

Level 1 Risk	Level 2 Risk	Description
<b>Operational risk</b>	<b>Outsourcing risk</b>	<p>Outsourcing risk is the risk that one or more third-party service providers fail to provide or perform outsourced services to standards expected by the firm, impacting the ability to deliver core services to its clients. This risk can arise due to significant unknown operational changes at key outsourced relationships, or material changes to their business model which affects their ability to provide the required services to the firm.</p> <p>The firm has implemented appropriate third-party risk management tools to ensure that adequate information across a number of risk areas, such as legal, regulatory, data processing, operational resilience, etc., is gathered on all outsource providers and vendors. Performance of outsource providers and vendors is reviewed and considered on a periodic basis by management.</p>
	<b>People risk</b>	<p>People risk is the risk of loss of key staff, lack of skilled resources and inappropriate employee behaviour or actions. These could lead to lack of capacity or capability threatening the delivery of business objectives or negative behaviours leading to complaints, regulatory action or litigation. This risk can arise across all areas of the business as a result of resource management failures or from external factors such as increased competition or material changes in regulation. Support is provided to the business through its Human Resources department to ensure all potential people risks are mitigated.</p>
	<b>Processing risk</b>	<p>This is the risk that the design or execution of client / financial / settlement transaction processes (including dealing activity) are inadequate or fail to deliver an appropriate level of service and protection to client or company assets. This can arise due to failure of management to implement and control operational processes and systems to support the volumes of transactions processed on a daily basis.</p> <p>The effectiveness of systems and controls implemented to mitigate processing risk are assessed on a periodic basis through the risk &amp; control self-assessment process. Where risk event reporting identifies weaknesses in controls, lessons learned and enhancements are considered and implemented on a timely basis.</p>
<b>Other risk</b>	<b>Concentration risk</b>	<p>The firm recognises the risk that it could be overexposed to one particular client relationship which could materially impact its financial performance if it was to lose that relationship. This risk may arise if the firm does not have adequate tools to monitor exposure to client relationships to ensure that the firm maintains a diverse client base.</p> <p>Management have monitoring tools in place to assess concentration exposure to particular clients or groups; enabling management to take appropriate action where required. The firm does not have any material concentration exposure beyond its business risk appetite.</p>



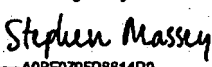
## Strategic Report *(continued)*

### Principal risks and uncertainties *(continued)*

In addition to the core risks outlined above, the firm is cogniscent of the macro-economic and political risks connected to high levels of inflation following the Covid-19 lockdowns and Russia's invasion of Ukraine.

With relation to the Russia and Ukraine conflict, the firm has assessed its exposure to Russian / Belarussian clients, securities and the location of outsourced service providers. The firm does not have any exposure to sanctioned individuals or entities. The firm's stockbroking services have a very limited exposure to Russian listed or connected securities within client portfolios which has little to no impact on firm performance. The firm has continued to operate in accordance with normal service levels. Any procedural changes for Russian listed or connected securities have been reported to clients.

On behalf of the Board

DocuSigned by:  
  
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S. L. MASSEY  
Director:  
Date: 27/7/2022

## Directors' Report

The directors present their Directors' Report for the Company for the 15 months ended 31 March 2022. The comparatives are for the year ended 31 December 2020.

### Directors and officers

The individuals who held office during the period are set out below:

D Esfandi (appointed 01.10.2021)  
P Flavel (resigned 30.09.2021)  
A Kyle (resigned 30.09.2021)  
S Massey (appointed 01.10.2021)  
J McAleenan (appointed 31.01.2022)  
G Storrie (appointed 01.10.2021)

The Company Secretarial role is performed by an employee of the Company's parent.

### Dividends

The Company declared and paid a dividend of £11.7m in 2022 (2020 - £5.9m).

### Future developments

The Company's immediate priority is to ensure it can provide market leading performance in wealth management. Looking further ahead it plans to continue growing its client base and revenues as markets and business practices evolve over the coming years.

### Going concern

As referred to in the Strategic Report, prospects are to a degree uncertain due to the conflict in Ukraine. However the Company's current financial and capital position and financial forecasts enable the Board to satisfy themselves that the Company is able to remain profitable, maintain capital requirements and have sufficient resources in the event of a range of possible outcomes, including that of a severe revenue decline.

From April 2022 stress test scenarios are undertaken as part of the Internal Credit and Risk Assessment ("ICARA") review and continue to be updated. These tests model the impact of a variety of external and internal events, identifying their impact on the Company's income, costs, cash flow and capital and enable the directors to assess management's ability to implement effective actions that can be taken to mitigate the impact of the stress events. Reverse stress tests are performed to ascertain what severe scenarios would render the Company's business model unviable.

The directors believe the Company is well placed to manage its business risk successfully. The Company's forecasts and projections, taking account of possible adverse changes in trading performance as a result of the economic uncertainties show that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt a going concern basis for the preparation of the financial statements. In forming their view, the directors have considered the Company's prospects until at least 31 July 2023.

## **Directors' Report** *(continued)*

### **Financial Risk Management**

The impact of financial instruments on the affairs of the Company is described in the Strategic Report on pages 2 to 7 and also in note 15 to the financial statements.

### **Post balance sheet events**

There have been no material events subsequent to the reporting date that would require disclosure.

### **Disclosure of information to Auditor**

Each of the persons who is a Director, at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In accordance with section 487(2) of the Companies Act 2006, the Company has elected to dispense with the obligation to appoint its auditor annually. Ernst & Young LLP have indicated their willingness to be reappointed and therefore are deemed to be reappointed for a further term.

## Directors' Responsibilities Statement

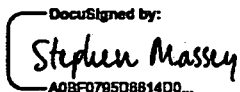
The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and UK adopted International Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable law and UK adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

On behalf of the Board

DocuSigned by:  
  
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S.L. MASSEY  
Director  
Date: 27/7/2022

## Independent Auditor's Report to the members of Adam & Company Investment Management Limited

### Opinion

We have audited the financial statements of Adam & Company Investment Management Limited for the period ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months to 31 July 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### 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 directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

## **Independent Auditor's Report to the members of Adam & Company Investment Management Limited** *(continued)*

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

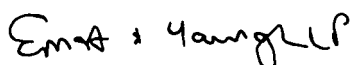
## Independent Auditor's Report to the members of Adam & Company Investment Management Limited *(continued)*

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the Companies Act 2006, UK adopted international accounting standards, relevant tax compliance regulations and certain regulations of the Financial Conduct Authority that may have an effect on the determination of the amounts and disclosures in the financial statements.
- We understood how the Company is complying with those frameworks by making enquiries of senior management and those charged with governance. We corroborated our understanding through our review of board meeting minutes and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by consideration of both the risks inherent in the business and the processes and associated controls over financial reporting. We designed a suite of tests to address these risks, including testing of a sample of journal entries. This assessment was supplemented via discussion with management and those charged with governance.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; a review of the breaches and complaints register; and enquiries of senior management.

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

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Denise Davidson (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date 27/07/2022

## Statement of Comprehensive Income

		15 months to 31 March 2022 £'000	12 months to 31 December 2020 £'000
	Note		
Revenue		14,701	10,701
Administrative expenses		(9,783)	(7,401)
Operating profit		4,918	3,300
Profit before tax for the period	4	4,918	3,300
Taxation	7	(760)	(600)
Profit after tax for the period		4,158	2,700
Total comprehensive income for the period		4,158	2,700

The notes on pages 18 to 30 form part of these financial statements.




# Statement of Financial Position

as at 31 March 2022

	Note	31 March 2022 £'000	31 December 2020 £'000
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	8	27	-
Deferred tax assets	9	515	366
<b>Total non-current assets</b>		<b>542</b>	<b>366</b>
<i>Current assets</i>			
Trade and other receivables	10	5,252	12,519
<b>Total current assets</b>		<b>5,252</b>	<b>12,519</b>
<b>Total assets</b>		<b>5,794</b>	<b>12,885</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Long term staff retention bonus	17	(734)	-
<b>Total non-current liabilities</b>		<b>(734)</b>	<b>-</b>
<i>Current liabilities</i>			
Trade and other payables	11	(596)	(1,251)
Corporation tax payable		(986)	(584)
<b>Total current liabilities</b>		<b>(1,582)</b>	<b>(1,835)</b>
<b>Net assets</b>		<b>3,478</b>	<b>11,050</b>
<b>Equity</b>			
Share capital	13	2,000	8,350
Retained earnings	14	1,478	2,700
<b>Total equity</b>		<b>3,478</b>	<b>11,050</b>

The notes on pages 18 to 30 form part of these financial statements.

These financial statements were approved by the Board of Directors and were signed on its behalf by:

DocuSigned by:  
  
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 S. L. MASSEY  
 Director  
 Date: 27/7/2022  
 Company number SC102144

**Statement of Changes in Equity**  
**for the period ended 31 March 2022**

	Note	Share capital £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 Jan 2020</b>		8,350	5,944	14,294
<i>Comprehensive income</i>				
Profit for the period		-	2,700	2,700
Total comprehensive income		-	2,700	2,700
<i>Transactions with owners</i>				
Dividends - in specie			(5,944)	(5,944)
<b>Balance at 31 December 2020</b>		8,350	2,700	11,050
<i>Comprehensive income</i>				
Profit for the period		-	4,158	4,158
Total comprehensive income		-	4,158	4,158
<i>Transactions with owners</i>				
Cancellation of shares	13	(6,350)	6,350	-
Dividends - in specie		-	(11,730)	(11,730)
Total transactions with owners		(6,350)	(5,380)	(11,730)
<b>Balance at 31 March 2022</b>		2,000	1,478	3,478

**Statement of Cash Flows**  
**for the period ended 31 March 2022**

	Note	15 months to March 2022 £'000	12 months to December 2020 £'000
<b>Cash flows from operating activities</b>			
Profit before taxation		4,918	3,300
Adjustments for:			
Amortisation of fixed assets	8	6	-
Increase in trade and other receivables		(4,463)	(3,091)
Increase in trade and other payables		72	491
Platform fees payable to Royal Bank of Scotland settled by CGWL		(552)	-
Client fee rebates		52	-
Tax paid		-	(700)
Purchase of fixed assets		(33)	-
Net cash generated from operating activities		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

## Notes to the financial statements

### 1. Corporate information

Adam & Company Investment Management Limited (the "Company") is incorporated in England and Wales, with its registered office at 50 Princes Street, Edinburgh, Scotland, EH2 2BY. The nature of the Company's operations and principal activities are set out in the Strategic Report.

The financial statements are presented in pounds sterling, rounded to the nearest thousand (expressed as thousands - £000's), except where otherwise indicated.

### 2. Principal accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with applicable law and UK adopted International Accounting Standards. The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and liabilities at fair value through the profit or loss.

The Company is preparing its financial statements in accordance with IFRS for the first time and consequently has applied IFRS 1. As a result the below has been included in the financial statements:

- Cash flow Statement
- Related Party Transaction note
- IFRS 7 Disclosure

Other than above, the transition to IFRS has not affected the reported financial position or financial performance of the Company in the current or prior year. Following the acquisition of the Company the accounting period end was changed from 31 December to 31 March to bring it in line with the CGGI Group. Accordingly, these financial statements cover the 15-month period ended 31 March 2022.

#### Adoption of new or revised accounting standards

The Company did not implement the requirements of any other Standards or Interpretations that were in issue but were not required to be adopted by the Company at the year-end date.

#### Standards issued but not yet effective

No other Standards or Interpretations have been issued that are expected to have a material impact on the Company's financial statements.

#### Going concern

The Company's business activities, together with the factors likely to affect its future development and performance and the financial position of the Company are set out in the Strategic report on pages 2 to 7. In addition, note 15 includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

Due to the quality and flexibility of our people and the strengths of our business, our ability to attract and win new clients remains strong. As already set out in Strategic Report and Directors' Report, the Company operates from a position of robust capital health.

Having performed this analysis management believes regulatory capital requirements will continue to be met and the Company will have sufficient liquidity to meet its liabilities until at least 31 July 2023 and that the preparation of the financial statements on a going concern basis remains appropriate as the Company expects to be able to meet its obligations as and when they fall due for the foreseeable future. In May 2022, the Company opened a bank account in its own name.

## Notes to the financial statements *(continued)*

### 2. Principal accounting policies *(continued)*

#### Functional currency

The Company's financial statements are presented in pounds sterling which is also the Company's functional currency.

#### Translation of foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the exchange rate in effect at the reporting date. All differences upon translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling using historic rates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates effective at the date when the fair value is determined.

#### Accrued Income

Asset based fees such as ongoing advisory charges are calculated at the end of the calendar quarter and amounts receivable are unbilled revenues which are not dependent on future performance. Certain fees are calculated either semi-annually or annually and the financial statements include estimates of fees receivable where the actual amounts have not yet been determined.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when it becomes a party to the contractual provisions of the instrument.

##### *(i) Financial assets*

##### *Initial recognition and measurement*

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, trade date accounting is applied, the trade date being the date at which the Company commits itself to either the purchase or sale of the asset. Upon initial recognition, the Company classifies financial assets as either fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost.

##### *Classification and subsequent measurement*

##### *(a) Financial assets classified as FVTPL*

Financial assets are classified as FVTPL when they either fail the contractual cash flow test or are held in a business model in which the aim is to realise the asset's value through a short-term sale. Financial assets at FVTPL are stated at fair value, with any resulting gain or loss recognised in the Statement of Comprehensive Income. The net gain or loss recognised in the Statement of Comprehensive Income includes any dividend or interest earned on the financial asset. The Company did not designate any financial assets upon initial recognition as fair value through profit and loss.

##### *(b) Financial assets classified as FVOCI*

The Company does not have any financial assets designated as FVOCI.

##### *(c) Financial assets at amortised cost*

The Company measures financial assets at amortised cost when they are held within a business model with the objective of collecting contractual cash flows and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost comprise the Company's trade and other receivables.

##### *Impairment of financial assets*

For the categories of financial assets where impairment losses are applicable under IFRS9, the Company has adopted a forward-looking expected credit loss (ECL) approach in its assessment of the impairment of financial assets. The Company applies a simplified approach in calculating ECLs and does not track changes in credit risk but recognises a loss allowance based on lifetime ECLs at each reporting date. This utilises the Company's historic loss experience by age banding, adjusted for forward looking estimates and other considerations as applicable. Any losses are recognised in the Statement of Comprehensive Income.

## Notes to the financial statements *(continued)*

### 2. Principal accounting policies *(continued)*

#### Financial instruments *(continued)*

##### *(ii) Financial liabilities*

###### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and classified as either FVTPL or other financial liabilities.

###### *Classification and subsequent measurement*

###### *(a) Financial liabilities classified as FVTPL*

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. The Company did not designate any financial assets upon initial recognition as FVTPL.

###### *(b) Financial liabilities classified as other financial liabilities*

After initial recognition, financial liabilities classified as other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income through the effective interest rate method of amortisation. Other financial liabilities include trade payables and accrued liabilities. The carrying value of other financial liabilities approximates their fair value.

##### *(iii) Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### *(iv) Fair value of financial instruments*

The fair value of financial instruments that are traded in active markets at each reporting date is determined by referencing quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate and reliable valuation techniques. Such techniques may include recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; and discounted cash flow analysis or other valuation models. Valuation techniques may require the use of estimates or management assumptions if observable market data is not available. When the valuation technique is not considered as reliable, then the financial instrument is measured at cost.

##### *(v) De-recognition of financial assets and liabilities*

The Company de-recognises financial assets when the contractual rights to cash flows arising from a financial asset have expired, or it transfers the financial asset including substantially all of the risks and rewards of the ownership of the asset.

#### Revenue recognition

The Company's revenue is accounted for in accordance with the requirements of IFRS 15. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable and represents gross commission, investment management fees, other fees and income, excluding VAT, receivable in respect of the period. Commissions are accounted for on a trade date basis. Fees received are spread over the period over which the service has been provided. The revenue streams are considered in more detail below:

##### *Management fees*

Portfolio management fees are billed quarterly in arrears based on a percentage of the average of the 3 month end valuations of assets under management within the quarter. This fee represents revenue earned over time under IFRS 15. Quarterly calculation dates correspond with the accounting reference date and accordingly income incorporated in the financial statements is not dependent upon future performance.

## Notes to the financial statements *(continued)*

### 2. Principal accounting policies *(continued)*

#### Revenue recognition *(continued)*

##### **Other miscellaneous transactional charges**

These include fees for making payments or transfers which are accounted for at the point the performance obligation is satisfied.

##### **Dividends**

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Dividends are recognised directly in equity. When the Company transfers assets by way of a dividend in specie then the book value of the assets transferred is recognised as a reduction in equity.

##### **Property, plant and equipment**

Equipment is recorded at cost less accumulated depreciation. Depreciation is charged over 2 years for computer equipment and software. A full monthly depreciation charge commences from the month of an asset's purchase.

An item of equipment, and any specific part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income when the asset is derecognised. Residual values, useful lives and method of depreciation are reviewed at each financial year-end and are adjusted prospectively where appropriate.

##### **Leased assets**

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. No leases were held by the Company in the current or prior year.

##### **Current taxation**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date, when the Company generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Notes to the financial statements *(continued)*

### 2. Principal accounting policies *(continued)*

#### Deferred taxation

Deferred taxes are accounted for using the liability method. This method requires that deferred taxes reflect the expected deferred tax effect of temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial statement purposes and their tax bases.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is recognised directly against equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

#### Value Added Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of sales tax, except where the amount of sales tax incurred is not recoverable from the tax authority. In these circumstances, sales tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of trade receivables or trade payables in the Statement of Financial Position.

#### Pension contributions

The Company operates a defined contribution scheme for all employees. The funds of the scheme are administered by trustees and are separate from the Company. The Company's liability is limited to the amount of the contributions. Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

#### Impairment of non-financial assets

Impairment may exist when the carrying value of an asset exceeds its recoverable amount. The Company assesses at each reporting date whether there is any indication that an asset may be impaired. Such an assessment will involve identifying the higher of the asset's disposal value or its value in use. A value in use assessment involves identifying the discounted cash flows attributable to the non-financial asset which are then compared to its carrying value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



## Notes to the financial statements *(continued)*

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss can be reversed up to the lower of its recoverable amount and the carrying amount that would have resulted had no impairment been recognised in prior periods. Any reversal of impairment is recognised in the Statement of Comprehensive Income. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with UK adopted international standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those of estimates. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are set out below. From time to time management applies judgement in legal matters that may require provision or disclosure as a contingent liability. During the period there were no legal matters that required disclosure.

#### **Going concern**

Management have concluded that it is appropriate to prepare the financial statement on a going concern basis. The basis for conclusion is set out in note 2, Going concern.

#### **Deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profit. Refer to note 9.

### 4. Profit for the period

Profit for the period has been arrived at after charging:

	15 months to March 2022	12 months to December 2020
	£'000	£'000
Auditors' remuneration		
- Fees payable to the Company's auditor for the audit of the Company's annual accounts	18	11
- Fees payable to the Company's auditor for audit related assurance services	13	-

**Notes to the financial statements** *(continued)***5. Staff numbers and costs**

The number of persons employed by the Company (including directors) at year end, analysed by category, was as below.

	15 months to March 2022 Number of employees	12 months to December 2020 Number of employees
Business staff	21	21
Functional staff	-	15
Total staff	21	36

The aggregate payroll costs of persons either employed or under subcontract arrangements were as follows:

	15 months to March 2022 £'000	12 months to December 2020 £'000
Wages and salaries	4,460	4,014
Social security costs	224	405
Other pension costs	561	512
Total staff costs	5,245	4,931

**6. Directors' remuneration**

The directors of the Company include a number of directors who are also directors of fellow subsidiary undertakings. No costs for these directors are borne by the Company as the directors do not believe that it is practicable to apportion their time between their services as directors of the Company and their services as directors of other Group companies. The remuneration of the director whose cost is borne by the Company is salaries and bonuses and other short-term employee benefits of £186,500 (2020- £nil) and pension contributions of £nil (2020 - £nil). These costs relate to the post acquisition period from the 1 October 2021 to 31 March 2022. Prior to acquisition these costs were borne by the Natwest Group rather than the Company.

**7. Taxation**

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

	15 months to March 2022 £'000	12 months to December 2020 £'000
Current tax		
UK Corporation tax	986	585
Adjustments in respect of prior periods	(77)	(2)
	909	583
Deferred tax		
Origination and reversal of temporary differences	(149)	17
	(149)	17
Tax charge on profit	760	600

**Notes to the financial statements** *(continued)***7. Taxation** *(continued)*

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the time apportioned tax rate applicable to profits as follows:

	15 months to March 2022	12 months to December 2020
	£'000	£'000
Profit before taxation	4,918	3,300
Profit multiplied by the standard rate of tax in the UK of 19% (PY - 19%)	934	627
Tax effect of:		
- Expenses not deductible for tax purposes	12	18
- Adjustments in respect of prior periods	(77)	(2)
- Remeasurement of deferred tax due to change in UK tax rate	(109)	(43)
Tax charge for the period	760	600

**8. Tangible assets**

	Computer equipment £'000	Total £'000
Cost		
At 1 Jan 2021	-	-
Additions	33	33
At 31 March 2022	33	33
Accumulated amortisation		
At 1 Jan 2021	-	-
Charge for the period	6	6
At 31 March 2022	6	6
Net book value		
At 31 Dec 2020	-	-
At 31 March 2022	27	27

**Notes to the financial statements** *(continued)***9. Deferred tax assets and liabilities*****Recognised deferred tax assets and liabilities***

Deferred tax assets and liabilities are attributable to the following:

	31 March 2022 £'000	31 December 2020 £'000
Deferred tax asset	521	366
Deferred tax liability	(6)	-
Net deferred tax asset	515	366

***Movements in deferred tax during the year***

The corporation tax rate is to increase from 19% to 25% from 1 April 2023. Accordingly deferred tax has been recognised at the rate the deferred tax asset or liability is expected to be realised.

	31 March 2022 £'000	31 December 2020 £'000
Balance at the beginning of the period	366	383
Credit/(charge) to income for the period	149	(17)
Balance at the end of the period	515	366

	31 March 2022 £'000	31 December 2020 £'000
Differences between depreciation and capital allowances	(6)	-
Employee compensation	159	-
Other (taxable)/deductible temporary differences	362	366
Net deferred tax asset at the end of the period	515	366

**Notes to the financial statements** *(continued)***10. Trade and other receivables**

	31 March 2022 £'000	31 December 2020 £'000
Amounts due from fellow subsidiary undertakings	2,697	9,479
Prepayments	30	-
Accrued income	2,524	3,040
<b>Total current trade and other receivables</b>	<b>5,252</b>	<b>12,519</b>

Intercompany balances are unsecured, interest free and repayable on demand.

**11. Trade and other payables**

	31 March 2022 £'000	31 December 2020 £'000
Trade payables and accrued expenses	596	1,240
Other creditors	-	11
<b>Total current trade and other payables</b>	<b>596</b>	<b>1,251</b>

**12. Defined contribution plans**

The Company operates defined contribution pension plans.

The total expense relating to these plans in the current period was £561,393 (2020 - £512,202).

**13. Equity**

	Number of shares	£'000
<i>Called up, allotted and fully paid ordinary shares of £1</i>		
At 1 January 2020 and 31 December 2020	8,350,000	8,350
At 1 Jan 2021	8,350,000	8,350
Cancelled	(6,350,000)	(6,350)
<b>At 31 March 2022</b>	<b>2,000,000</b>	<b>2,000</b>

All shares are owned by Canaccord Genuity Wealth Limited and rank pari passu. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The share capital was cancelled to create distributable reserves which could then be paid out by way of a dividend to bring the regulatory capital of the Company down to £2 million as agreed in the sale and purchase agreement.

**14. Retained earnings**

	15 months to March 2022 £'000	12 months to December 2020 £'000
At beginning of the period	2,700	5,944
Profit for the period	4,158	2,700
Cancellation of shares	6,350	-
Dividends paid in the period	(11,730)	(5,944)
<b>At end of the period</b>	<b>1,478</b>	<b>2,700</b>

## Notes to the financial statements *(continued)*

### 15. Financial risk management

In conducting its business activities, the Company is exposed to a number of types of risk. The Company has assessed its risks and subdivided these into Principal Risk Categories. Each Principal Risk Category encompasses a set of risks that are similar in nature and therefore, require a similar approach.

The Board of Directors has overall responsibility for the establishment and maintenance of an appropriate control framework around these risks. The Board has defined, documented and annually reviews its risk appetite. A Committee structure, reporting to the Board, is in place to ensure that procedures, controls and limits are consistent with the stated risk appetite.

The most significant types of risk arising from the Company's activities and the methods by which such risks are managed are summarised in the Strategic Report. In this respect the Company and its staff adhere to the principles and rules of the Handbook of the Financial Conduct Authority ("FCA") with particular regard to the principles and rules relating to the adequate management of risk. This note provides further detail regarding Financial risks only.

The Company's Principal Financial Risk Categories are:

- Market Risk
  - Interest rate Risk
  - Currency Risk
- Credit Risk
- Liquidity Risk

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised in respect of each class of financial asset and financial liability are disclosed in note 2 of the financial statements.

#### **Categories of financial instruments held by the Company**

	Carrying Value	Fair value	Carrying Value	Fair value
	31 March 2022 £'000	31 March 2022 £'000	31 December 2020 £'000	31 December 2020 £'000
<i>Financial assets -non-current</i>				
Deferred tax assets	515	515	366	366
<i>Financial assets -current</i>				
Trade and other receivables	5,252	5,252	12,519	12,519
Total financial assets - current	5,252	5,252	12,519	12,519
<b>Total financial assets</b>	<b>5,767</b>	<b>5,767</b>	<b>12,885</b>	<b>12,885</b>
<i>Financial liabilities non-current</i>				
Long term staff retention bonus	(734)	(734)	-	-
<i>Financial liabilities current</i>				
Trade and other payables	(1,582)	(1,582)	(1,835)	(1,835)
Total financial liabilities - current	(1,582)	(1,582)	(1,835)	(1,835)
<b>Total financial liabilities</b>	<b>(2,316)</b>	<b>(2,316)</b>	<b>(1,835)</b>	<b>(1,835)</b>

Carrying value for all financial assets and financial liabilities equates to fair value as carrying value is considered to be the best estimate of fair value.

## Notes to the financial statements (continued)

### 15. Financial risk management (continued)

#### Interest rate risk

The Company's exposure to interest rate risk is nil as no cash balances are held.

#### Currency risk

The Company holds no foreign currency and sells foreign currency income into sterling on receipt. Limits are in place restricting net exposure by currency. At the reporting date the Company had net currency exposure of £nil.

#### Liquidity risk

Given the nature of the Company's business, the Company does not run any liquidity mismatches, financial liabilities are on the whole short term. The table below has been drawn up based on undiscounted contractual maturities of the financial assets and liabilities:

	Weighted average interest rate	Less than one month	Greater than one month less than one year	Greater than one year	Total
		£'000	£'000	£'000	£'000
<b>31 March 2022</b>					
Financial Assets	Non-interest bearing	2,530	2,722	515	5,767
Financial Liabilities	Non-interest bearing	(506)	(1,076)	(734)	(2,316)
Net financial assets		2,024	1,646	(219)	3,451
<b>31 December 2020</b>					
Financial Assets	Non-interest bearing	-	12,519	366	12,885
Financial Liabilities	Non-interest bearing	-	(1,835)	-	(1,835)
Net financial assets		-	10,684	366	11,050

### 16. Related parties

The Company enters into transactions with fellow subsidiary undertakings and other related parties. During the period to 1 October 2021 the Company's ultimate parent undertaking was Natwest Group Plc.

During the period, the amount due from holding companies and fellow subsidiaries was £nil (2020 - £9.5m).

From 1 October 2021, the Company's ultimate parent undertaking was Canaccord Genuity Group Inc. ("CGGI"), its immediate parent was Canaccord Genuity Wealth Limited ("CGWL"). During the period, CGWL collected management fees on behalf of the company and settled invoices related to the normal running of the business. The Company charged AIM £387,661 for transaction processing and related services for this period and a charge of £180,000 to cover shared central services. The net amount due from the Company to AIM as at 31 March 2022 was £2.7m.

#### Key management compensation

Key management personnel are defined as the board of directors as these persons have authority for planning, directing and controlling the activities of the Company. Compensation related to the directors is disclosed in Note 6 of these accounts.

#### Director's Transactions

There were no such transactions in the current or prior year.

## Notes to the financial statements (continued)

### 17. Long term staff retention bonus

At acquisition, the Company entered into an agreement with employees to pay a retention bonus totalling £4 million made in equal tranches in October 2023, September 2024 and September 2025. The employee must be employed by the Company at the time the payment is made in order to receive the bonus. Accordingly the Company recognises the cost of these bonuses on a graded basis over the applicable bonus period. Should an employee cease to qualify for the bonus no expense will be recognised.

### 18. Ultimate parent company and parent company of larger group

The immediate parent undertaking is Canaccord Genuity Wealth Limited a company registered in England and Wales.

The ultimate parent of the Company is Canaccord Genuity Group Inc. a public corporation incorporated under the laws of Province of British Columbia, Canada with its registered office at Suite 1000-840 Howe Street, Vancouver, British Columbia, Canada V6Z 2M1.

### 19. Pillar three disclosures

These can be found on the Company's website: [www.canaccordgenuity.com](http://www.canaccordgenuity.com).

### 20. Post balance sheet events

There are no post balance sheet events requiring disclosure.