

Company Registration No. SC492906 (Scotland)

**SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS
LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

COMPANY INFORMATION

Directors	Mr P Craddock	(Appointed 30 April 2020)
	Mr P Edwards	(Appointed 30 April 2020)
	Mr B Galvin	(Appointed 30 April 2020)

Secretary	St. James's Place Corporate Secretary Limited
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Company number	SC492906
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Registered office	Oracle Campus Blackness Road Linlithgow West Lothian EH49 7BF
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Auditor	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife KY11 8PB
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Business address	Oracle Campus Blackness Road Linlithgow West Lothian EH49 7BF
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Bankers	The Royal Bank of Scotland (Linlithgow) 55 High Street Linlithgow EH49 7ED
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Solicitors	Addleshaw Goddard Exchange Tower 19 Canning Street Edinburgh EH3 8EH
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SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

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SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our key stakeholders. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

As is normal for organisations, authority for day-to-day management of this company and the group's other wholly-owned subsidiaries is delegated to executives. The boards of each company then engage management in setting, approving and overseeing execution of the business strategy and related policies, where relevant to that company. Throughout the year we, as a Board, review matters such as financial and operational performance, key risks, governance and regulatory compliance and the impact of decisions and policies affecting our key stakeholders.

The views of and the impact of the company's activities on the key stakeholders are an important consideration for the Directors when making relevant decisions. Our governance framework is designed to provide opportunities for the Board to consider and discuss reports and decision-making papers which are sent in advance of each periodic Board meeting. The information contained therein, together with presentations to the Board, provide the insight necessary to understand the interests and concerns of key stakeholders and other relevant factors when making decisions.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Fair review of the business

SJP Legacy Holdings Limited ('the company') was acquired by St. James's Place Wealth Management Group Limited, a member of the St. James's Place group, for which St. James's Place plc is the ultimate parent company on 30 April 2020.

The company is a private limited company, incorporated and domiciled in the United Kingdom, and registered in Scotland.

The company acts as an investment holding company for its subsidiaries, Virtue Money Limited and Policy Services Limited, which are collectively known as 'the group'.

The group provides financial services to clients through Policy Services Limited which is directly authorised by the FCA.

The Directors are pleased with the key trends in the group's accounts for the year ended 31 March 2020, with an increase in turnover to £20,082,497 (2019 - £19,471,472). Whilst there is a loss for the year, this is due to a provision for potentially underpaid regulatory fees of £2,794,664 of which £2,407,440 related to prior periods. This has resulted in a loss for the year of £2,005,598 (2019 - profit of £771,632).

The group's main activities still centre around servicing the financial advice needs its clients, transferred from ex-Independent Financial Advisers.

As always, the group continues to work in a heavily regulated environment under the FCA, and compliance continues to be central to our organisation and culture and helps us in many of the initiatives we have undertaken.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties

The principal risks that we face as a business include:

Market Performance – Our turnover is dependent upon the strengths of the financial markets. As always this is an ever-changing market and something which we monitor and evaluate regularly to ensure adequate resource for any anticipated changes.

Competitive Performance – While the group operates in a competitive and small market, research on our competitors is needed to ensure that our service stays ahead.

Changes in Regulations – A key concern and risk for the group is any changes in regulation which have a major impact on the group. In this financial year there has been no major changes in the industry that we have strived to stay ahead of.

Liquidity Risk – Ensuring that we always have the relevant capital for the group is a key factor for us. The FCA capital adequacy rules mean that this is something we always monitor and ensure is in place to ensure operation.

Advice quality - We recognise our responsibility to ensure the advice we give our clients demonstrates an understanding of their needs/goals and their attitude to risk, whilst managing potential conflicts of interest as they are identified. The additional scrutiny that SMCR brings will be managed via enhanced procedures, training and monitoring

Data integrity - We recognise our on-going requirement to ensure compliance with the General Data Protection Regulations, and maximise the positive interaction with our clients through the careful collection, storage and management of appropriate customer data.

Covid-19

The impacts of COVID-19, and the wider measures taken to help protect the spread of COVID-19 will inevitably have an impact on the business. Like many businesses, the group has worked swiftly to enable business processes to continue with all employees working remotely.

These changes have been successfully implemented, and the group has been able to maintain its services to customers. Group revenues are largely driven by a mixture of initial fees and commission and ongoing fees and commission. The fall in markets means that there will inevitably be an impact on future ongoing fees and commission, though the group is still able to operate and generate revenues. However, the current challenges do not impact on the longer term customer need for the services of the group. In fact, the group has a key role to play in supporting customers through these challenging times. This gives the Directors the confidence that the group can come through the current short term challenges posed by the spread of COVID-19, and continue to grow in the medium term. This issue and the resulting actions taken is a post balance sheet event and has had no impact on the reported results of the group.

Key performance indicators

- Financial Key Performance Indicators

	2020	2019
Turnover	£20,082,497	£19,471,472
Turnover Growth	3.14%	(3.66%)
Gross (Loss)/Profit	(£921,370)	£2,440,318
Gross Profit (excluding exceptional item)	£1,486,070	£2,440,318

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Other information and explanations

Looking ahead we are confident of the continued growth of the group in the coming financial year and look forward to the challenges ahead.

On behalf of the board

Mr P Craddock

Director

31 March 2021

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the group was that of providing financial advisory services.

On 26 June 2020, the company changed its name to SJP Legacy Holdings Ltd.

Directors

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

Mr D Ness	(Resigned 30 April 2020)
Mr P Craddock	(Appointed 30 April 2020)
Mr P Edwards	(Appointed 30 April 2020)
Mr B Galvin	(Appointed 30 April 2020)

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £35,000. The directors do not recommend payment of a further dividend.

Qualifying third party indemnity provisions

St. James's Place plc ("SJP"), the ultimate parent company, has taken out insurance covering Directors and Officers against liabilities they may incur in their capacity as Directors or Officers of SJP or its subsidiaries.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Statement of disclosure to auditor

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

On behalf of the board

Mr P Craddock
Director

31 March 2021

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

Opinion

We have audited the financial statements of SJP Legacy Holdings Ltd (formerly Policy Services Holdings Limited) (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and 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 the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, 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, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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.

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

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

Use of our report

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

Andrew Croxford (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline

31 March 2021

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

GROUP PROFIT AND LOSS ACCOUNT **FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
Turnover	3	20,082,497	19,471,472
Cost of sales		(21,003,867)	(17,031,154)
Gross (loss)/profit		(921,370)	2,440,318
Administrative expenses		(1,430,616)	(1,314,690)
Operating (loss)/profit	5	(2,351,986)	1,125,628
Interest receivable and similar income	8	12,854	8,337
Interest payable and similar expenses	9	(248)	(28,038)
(Loss)/profit before taxation		(2,339,380)	1,105,927
Tax on (loss)/profit	10	333,782	(334,295)
(Loss)/profit for the financial year	24	(2,005,598)	771,632

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
(Loss)/profit for the year	(2,005,598)	771,632
Other comprehensive income	-	-
Total comprehensive loss for the year	(2,005,598)	771,632

Total comprehensive income for the year is all attributable to the owners of the parent company.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

GROUP BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	12	2,589,771		3,107,725	
Tangible assets	13	120,115		69,729	
		<u>2,709,886</u>		<u>3,177,454</u>	
Current assets					
Stocks	16	12,338		18,500	
Debtors	17	2,006,078		1,362,012	
Cash at bank and in hand		3,905,338		3,263,060	
		<u>5,923,754</u>		<u>4,643,572</u>	
Creditors: amounts falling due within one year	18	<u>(2,451,942)</u>		<u>(2,382,903)</u>	
Net current assets			3,471,812		2,260,669
Total assets less current liabilities			<u>6,181,698</u>		<u>5,438,123</u>
Provisions for liabilities	19		<u>(2,794,664)</u>		<u>(10,491)</u>
Net assets			<u>3,387,034</u>		<u>5,427,632</u>
Capital and reserves					
Called up share capital	22		21		21
Share premium account	23		3,499,979		3,499,979
Profit and loss reserves	24		<u>(112,966)</u>		<u>1,927,632</u>
Total equity			<u>3,387,034</u>		<u>5,427,632</u>

The financial statements were approved by the board of directors and authorised for issue on 31 March 2021 and are signed on its behalf by:

Mr P Craddock
Director

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

COMPANY BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Investments	14		7,040,473		7,040,473
Current assets					
Debtors	17	-		5,490	
Net current assets			-		5,490
Total assets less current liabilities			7,040,473		7,045,963
Capital and reserves					
Called up share capital	22		21		21
Share premium account	23		3,499,979		3,499,979
Profit and loss reserves	24		3,540,473		3,545,963
Total equity			7,040,473		7,045,963

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £29,510 (2019 - £945,564 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 31 March 2021 and are signed on its behalf by:

Mr P Craddock
Director

Company Registration No. SC492906

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Share premium account £	Equity reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2018		21	3,499,979	28,326	1,402,674	4,931,000
Year ended 31 March 2019:						
Profit and total comprehensive income for the year		-	-	-	771,632	771,632
Dividends	11	-	-	-	(275,000)	(275,000)
Other movements		-	-	(28,326)	28,326	-
Balance at 31 March 2019		21	3,499,979	-	1,927,632	5,427,632
Year ended 31 March 2020:						
Loss and total comprehensive income for the year		-	-	-	(2,005,598)	(2,005,598)
Dividends	11	-	-	-	(35,000)	(35,000)
Balance at 31 March 2020		21	3,499,979	-	(112,966)	3,387,034

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Share premium account £	Equity reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2018		21	3,499,979	28,326	2,847,073	6,375,399
Year ended 31 March 2019:						
Profit and total comprehensive income for the year		-	-	-	945,564	945,564
Dividends	11	-	-	-	(275,000)	(275,000)
Other movements		-	-	(28,326)	28,326	-
Balance at 31 March 2019		21	3,499,979	-	3,545,963	7,045,963
Year ended 31 March 2020:						
Profit and total comprehensive income for the year		-	-	-	29,510	29,510
Dividends	11	-	-	-	(35,000)	(35,000)
Balance at 31 March 2020		21	3,499,979	-	3,540,473	7,040,473

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	28	1,162,618		1,600,500	
Interest paid		(248)		(28,038)	
Income taxes paid		(331,753)		(269,818)	
Net cash inflow from operating activities		830,617		1,302,644	
Investing activities					
Purchase of tangible fixed assets		(76,191)		(12,163)	
Proceeds from other investments and loans		(90,002)		2,029	
Interest received		12,854		8,337	
Net cash used in investing activities		(153,339)		(1,797)	
Financing activities					
Repayment of borrowings		-		(741,674)	
Dividends paid to equity shareholders		(35,000)		(275,000)	
Net cash used in financing activities		(35,000)		(1,016,674)	
Net increase in cash and cash equivalents		642,278		284,173	
Cash and cash equivalents at beginning of year		3,263,060		2,978,887	
Cash and cash equivalents at end of year		3,905,338		3,263,060	

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Interest paid			-		(27,793)
Income taxes refunded			5,490		70,143
Net cash inflow from operating activities			5,490		42,350
Investing activities					
Dividends received		29,510		974,324	
Net cash generated from investing activities			29,510		974,324
Financing activities					
Repayment of borrowings		-		(741,674)	
Dividends paid to equity shareholders		(35,000)		(275,000)	
Net cash used in financing activities			(35,000)		(1,016,674)
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			-		-

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

SJP Legacy Holdings Ltd (formerly Policy Services Holdings Limited) ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Oracle Campus, Blackness Road, Linlithgow, West Lothian, EH49 7BF.

The group consists of SJP Legacy Holdings Ltd (formerly Policy Services Holdings Limited) and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of SJP Legacy Holdings Ltd (formerly Policy Services Holdings Limited) and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

At the date of the approval of the accounts, the directors are aware of the potential impact on the company of Covid-19. As the country is still in the midst of the pandemic it is therefore not possible to assess the potential impact. The directors are actively taking all steps to mitigate any impact the virus may have on the company.

The directors have considered a period of 12 months from the date of approval of the financial statements.

1.4 Turnover

Turnover represents fees and commission received or receivable on financial services products. Fees and commission is accounted for on the earlier of the date of receipt or when the right to income arises.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

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

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

Leasehold improvements	10.00% Straight Line
Fixtures and fittings	20.00% Reducing Balance
Computers	33.33% Straight Line

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

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

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

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.14 Provisions

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

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

1.15 Employee benefits

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

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

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

1.16 Retirement benefits

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

1.17 Leases

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

2 Judgements and key sources of estimation uncertainty

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

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

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accrued commission

Determining accrued income at the year end requires a level of estimation. The value requires the entity to estimate future cash flows expected to arise from existing policies. The value of accrued income at the reporting end date was £799,278 (2019 - £706,050).

Goodwill

The directors believe an amortisation policy of 10 years to be a reliable estimate of the useful life of goodwill arising on consolidation. This estimate is based on a variety of factors and the directors regularly monitor the underlying performance of all group companies to satisfy themselves that the 10 year write-off policy remains appropriate.

Provisions

A provision for liability is held for potentially underpaid regulatory fees as disclosed in note 19. The matter is ongoing and the Directors are currently working with both the previous Management team and the FCA to resolve. A provision is held based on Management expectations on the probability of the potential liability crystallising.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Commissions Received	20,082,497	19,471,472
	<u>20,082,497</u>	<u>19,471,472</u>
	2020 £	2019 £
Other significant revenue		
Interest income	12,854	8,337
	<u>12,854</u>	<u>8,337</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	20,082,497	19,471,472
	<u>20,082,497</u>	<u>19,471,472</u>

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4	Exceptional item	2020	2019
		£	£
	Cost of sales		
	Exceptional item - Regulatory fees	2,407,440	-
		<u></u>	<u></u>

See note 19.

5	Operating (loss)/profit	2020	2019
		£	£
	Operating (loss)/profit for the year is stated after charging:		
	Depreciation of owned tangible fixed assets	25,805	25,147
	Amortisation of intangible assets	517,954	517,954
	Operating lease charges	88,682	87,242
		<u></u>	<u></u>

6	Auditor's remuneration	2020	2019
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	-	-
	Audit of the financial statements of the company's subsidiaries	22,230	18,960
		<u></u>	<u></u>
	For other services		
	All other non-audit services	29,760	35,400
		<u></u>	<u></u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Directors	3	3	-	-
Support staff	4	3	-	-
Administration staff	56	58	-	-
	<u></u>	<u></u>	<u></u>	<u></u>
Total	63	64	-	-
	<u></u>	<u></u>	<u></u>	<u></u>

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	1,828,497	1,518,423	-	-
Social security costs	176,084	147,729	-	-
Pension costs	54,991	43,388	-	-
	<u>2,059,572</u>	<u>1,709,540</u>	<u>-</u>	<u>-</u>

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	12,854	8,337
	<u>12,854</u>	<u>8,337</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	12,854	8,337
	<u>12,854</u>	<u>8,337</u>

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	-	28,326
Other finance costs:		
Other interest	248	(288)
Total finance costs	<u>248</u>	<u>28,038</u>

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	(321,144)	321,156
Adjustments in respect of prior periods	5,490	13,956
Total current tax	<u>(315,654)</u>	<u>335,112</u>

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Taxation	(Continued)	
	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	9,739	(817)
Tax losses carried forward	(27,867)	-
	<hr/>	<hr/>
Total deferred tax	(18,128)	(817)
	<hr/>	<hr/>
Total tax (credit)/charge	(333,782)	334,295
	<hr/>	<hr/>

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

	2020 £	2019 £
(Loss)/profit before taxation	(2,339,380)	1,105,927
	<hr/>	<hr/>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(444,482)	210,126
Tax effect of expenses that are not deductible in determining taxable profit	6,787	10,392
Permanent capital allowances in excess of depreciation	(9,739)	4,454
Amortisation on assets not qualifying for tax allowances	98,411	98,411
Other permanent differences	12	-
Under/(over) provided in prior years	5,490	11,729
Deferred Tax	9,739	(817)
	<hr/>	<hr/>
Taxation (credit)/charge	(333,782)	334,295
	<hr/>	<hr/>

11 Dividends	2020 £	2019 £
Interim paid	35,000	275,000
	<hr/>	<hr/>

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2019 and 31 March 2020	5,179,541
Amortisation and impairment	
At 1 April 2019	2,071,816
Amortisation charged for the year	517,954
At 31 March 2020	2,589,770
Carrying amount	
At 31 March 2020	2,589,771
At 31 March 2019	3,107,725

The company had no intangible fixed assets at 31 March 2020 or 31 March 2019.

13 Tangible fixed assets

Group	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2019	51,513	35,388	173,829	260,730
Additions	-	5,894	70,297	76,191
At 31 March 2020	51,513	41,282	244,126	336,921
Depreciation and impairment				
At 1 April 2019	15,172	15,764	160,065	191,001
Depreciation charged in the year	5,152	3,029	17,624	25,805
At 31 March 2020	20,324	18,793	177,689	216,806
Carrying amount				
At 31 March 2020	31,189	22,489	66,437	120,115
At 31 March 2019	36,341	19,624	13,764	69,729

The company had no tangible fixed assets at 31 March 2020 or 31 March 2019.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	7,040,473	7,040,473

Movements in fixed asset investments Company

Shares in group undertakings

£

Cost or valuation

At 1 April 2019 and 31 March 2020

7,040,473

Carrying amount

At 31 March 2020

7,040,473

At 31 March 2019

7,040,473

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Virtue Money Limited	Scotland	Ordinary	100.00	-
Policy Services Limited	Scotland	Ordinary	0	100.00

The investments in subsidiaries are stated at cost.

16 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	12,338	18,500	-	-

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	807,929	769,080	-	-
Corporation tax recoverable	497,741	5,490	-	5,490
Other debtors	609,595	519,593	-	-
Prepayments and accrued income	83,176	67,849	-	-
	<u>1,998,441</u>	<u>1,362,012</u>	<u>-</u>	<u>5,490</u>
Deferred tax asset (note 20)	7,637	-	-	-
	<u>2,006,078</u>	<u>1,362,012</u>	<u>-</u>	<u>5,490</u>

18 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	2,196,583	2,022,565	-	-
Corporation tax payable	-	155,156	-	-
Other taxation and social security	75,420	76,661	-	-
Other creditors	33,836	9,772	-	-
Accruals and deferred income	146,103	118,749	-	-
	<u>2,451,942</u>	<u>2,382,903</u>	<u>-</u>	<u>-</u>

19 Provisions for liabilities

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Regulatory fees		2,794,664	-	-	-
Deferred tax liabilities	20	-	10,491	-	-
		<u>2,794,664</u>	<u>10,491</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

	Regulatory fees
Group	£
Additional provisions in the year	<u>2,794,664</u>

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

19 Provisions for liabilities

(Continued)

A provision for liability is held when it is probable that there will be an outflow of economic benefit, which can be measured reliably.

A provision for liability of £2,794,664 is held for potentially underpaid regulatory fees as at 31 March 2020. The Directors are currently working with both the previous Management team and the FCA to resolve the matter.

This matter is expected to be resolved during the year ended 31 March 2022, with settlement of any agreed liability occurring within the same year.

Of this potential underpayment, £387,224 related to the year ended 31 March 2020 with the remainder of £2,407,440 relating to prior years. The amount relating to earlier years is shown as an Exceptional Item - see note 4.

20 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Group				
Accelerated capital allowances	-	10,491	(20,229)	-
Tax losses	-	-	27,866	-
	<u>-</u>	<u>10,491</u>	<u>7,637</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>10,491</u></u>	<u><u>7,637</u></u>	<u><u>-</u></u>

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 April 2019	10,491	-
Credit to profit or loss	(18,128)	-
	<u>(7,637)</u>	<u>-</u>
Asset at 31 March 2020	<u><u>(7,637)</u></u>	<u><u>-</u></u>

The deferred tax asset and liability have been netted off. The deferred tax asset is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

21 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	54,991	43,388

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

22 Share capital

	Group and company	
	2020	2019
Ordinary share capital	£	£
Authorised		
19,000 Ordinary shares of 0.1p each	19	19
1,800 'A' Ordinary shares of 0.1p each	2	2
200 'B' Ordinary shares of 0.1p each	-	-
	21	21
Issued and fully paid		
19,000 Ordinary shares of 0.1p each	19	19
1,800 'A' Ordinary shares of 0.1p each	2	2
	21	21

23 Share premium account

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
At the beginning and end of the year	3,499,979	3,499,979	3,499,979	3,499,979

24 Profit and loss reserves

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
At the beginning of the year	1,927,632	1,402,674	3,545,963	2,847,073
Profit/(loss) for the year	(2,005,598)	771,632	29,510	945,564
Dividends	(35,000)	(275,000)	(35,000)	(275,000)
Other movements	-	28,326	-	28,326
At the end of the year	(112,966)	1,927,632	3,540,473	3,545,963

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

25 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Between two and five years	708,089	1,067,652	-	-
In over five years	186,168	360,429	-	-
	<u>894,257</u>	<u>1,428,081</u>	<u>-</u>	<u>-</u>

26 Events after the reporting date

On 30 April 2020, the entire share capital was purchased by St. James's Place Wealth Management Group Limited, a subsidiary of St. James's Place Plc and it is now the ultimate parent company.

On 31 March 2021 the company issued shares to the value of £2,999,940 to provide additional working capital.

27 Related party transactions

Transactions with related parties

Included in other debtors is £519,593 (2019 - £519,593) due from MFDG Investments Limited, a company owned by ex-director David Ness and his wife, Maggie Ness. The loan was repaid on 30 April 2020 as part of the acquisition.

Other information

The company has taken advantage of the exemption in s33.1A of FRS 102 from the requirement to disclose transactions with wholly owned group companies.

SJP LEGACY HOLDINGS LTD (FORMERLY POLICY SERVICES HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

28 Cash generated from group operations

	2020 £	2019 £
(Loss)/profit for the year after tax	(2,005,598)	771,632
Adjustments for:		
Taxation (credited)/charged	(333,782)	334,295
Finance costs	248	28,038
Investment income	(12,854)	(8,337)
Amortisation and impairment of intangible assets	517,954	517,954
Depreciation and impairment of tangible fixed assets	25,805	25,147
Increase in provisions	2,794,664	-
Movements in working capital:		
Decrease/(increase) in stocks	6,162	(15,000)
(Increase)/decrease in debtors	(54,176)	53,286
Increase/(decrease) in creditors	224,195	(106,515)
Cash generated from operations	1,162,618	1,600,500

29 Cash absorbed by operations - company

	2020 £	2019 £
Profit for the year after tax	29,510	945,564
Adjustments for:		
Taxation charged	-	967
Finance costs	-	27,793
Investment income	(29,510)	(974,324)
Cash absorbed by operations	-	-

30 Analysis of changes in net funds - group

	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	3,263,060	642,278	3,905,338

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