Company Registration No. SC548164 (Scotland)

TARGET FUND MANAGERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

TARGET FUND MANAGERS LIMITED

COMPANY INFORMATION

Directors	Mr S G Bland Mr A S Brown Mr J M Flannelly Mr K MacKenzie Mr M J Round Mrs A MacKenzie
Company number	SC548164
Registered office	Laurel House Laurelhill Business Park Laurelhill Stirling FK7 9JQ
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
Solicitors	Dickson Minto WS 16 Charlotte Square Edinburgh EH2 4DF

TARGET FUND MANAGERS LIMITED

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TARGET FUND MANAGERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present the strategic report for the year ended 30 April 2020.

Fair review of the business
The principal activity of the Company in the year under review was the provision of investment and property management services. The Company is authorised and regulated by the Financial Conduct Authority.

The year to 30 April 2020 saw turnover decrease to £4,957,187 (2019: £5,529,081). This decrease was a result of fee arrangements being revised in the prior year.

The directors are satisfied with the performance during the year and continue to invest in the business.

Principal risks and uncertainties
As identified through our Internal Capital Adequacy Assessment Process (ICAAP) and Pillar 3 Disclosure document, the material risks for the firm are defined as Financial, Business, and Regulatory.

Financial - This risk can be split into Credit Risk and Market Risk.

Credit Risk - This is considered to be low given the make-up of the Company's client base.

Market Risk - This is relevant to the business given that revenue earned is dependent upon the assets managed. Accordingly, adverse market movements could have an impact on the Company's results.

Business - This risk relates to the running of the business, which includes poor client service and general market risk.

Regulatory - This risk considers treating clients appropriately and complying with FCA regulation, including Capital Adequacy requirements.

COVID-19 – The COVID-19 pandemic was identified as an emerging risk for the business in February 2020 with the potential to affect the Company's employees and counterparties as well as disrupting the ordinary running of the business through the closure of office premises. The pandemic also had the potential to adversely affect the wider market that the Company operates in, affecting assets under management ("AUM") and revenue. At this point in time, the underlying investments have proven resilient and AUM and revenue have been maintained. The Company's employees have been working from home during the office closure and continue to carry out their responsibilities effectively while the evolving situation is continually assessed by the senior management team.

The Directors regularly review business activity and performance to ensure that risks are mitigated or do not materialise to the extent possible via decision-making, improved processes and other initiatives. The Company's Compliance function is led by an experienced external consultant, who manages a comprehensive Internal Compliance Monitoring programme. This programme seeks to ensure through regular review and reporting of all aspects of regulatory compliance that the Company continues to meet its requirements placed.

Other performance indicators

The Company's primary objective is to grow and protect revenue streams through disciplined management of client funds and client satisfaction from general service levels. In line with this, and the principal risks the Company faces, the key performance indicators are:

Revenue and Assets under management

The KPI's used to assess the Company's success in meeting its objectives are its level of fee income and profitability which will increase in line with assets under management. The directors consider assets under management of £494m at the balance sheet date and profit for the period of £1,282k to be an acceptable performance.

Regulatory responsibilities and capital adequacy

The Company is registered with the Financial Conduct Authority for alternative investment fund management. The Company has capital reserves in excess of the minimum regulatory capital requirement.

On behalf of the board

....

Mr S G Bland
Director 24/8/20

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present their annual report and financial statements for the year ended 30 April 2020.

Principal activities
The principal activity of the company is the provision of investment and property management services.

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

Mr S G Bland	
Mr A S Brown	
Mr D Campbell	(Resigned 30 April 2020)
Mr J M Flannelly	
Mr K MacKenzie	
Mr M J Round	
Mrs A MacKenzie	

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £175,023 (2019: £88,151). The directors do not recommend payment of a further dividend.

Auditor
The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

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Mr S G Bland
Director

Date: 24/8/20

TARGET FUND MANAGERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2020

The directors are responsible for preparing the strategic report, 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 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 company and 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 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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TARGET FUND MANAGERS LIMITED

Opinion

We have audited the financial statements of Target Fund Managers Limited (the 'company') for the year ended 30 April 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 Financial Reporting Standard 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 company's affairs as at 30 April 2020 and of its profit 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 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.

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 our 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 and the 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 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 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.

Auditor's responsibilities for the audit of the financial statements (continued)
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Johnston Carmichael LLP

David Holmes (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

24 August 2020
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Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

TARGET FUND MANAGERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	2019 £
Revenue	3	4,957,187	5,529,081
Administrative expenses		(3,283,639)	(2,629,440)
Operating profit	4	1,673,548	2,899,641
Finance costs		(963)	(145)
Profit before taxation		1,672,585	2,899,496
Tax on profit	8	(390,225)	(588,340)
Profit for the period and total comprehensive income		1,282,360	2,311,156

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

TARGET FUND MANAGERS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Non-current assets					
Goodwill	10		3,459,301		2,279,735
Property, plant and equipment	11		52,988		47,284
			3,512,289		2,327,019
Current assets					
Trade and other receivables	12	923,078		913,482	
Cash and cash equivalents		1,088,266		1,123,792	
		2,011,344		2,037,274	
Current liabilities	13	(1,366,115)		(1,316,565)	
Net current assets			645,229		720,709
Total assets less current liabilities			4,157,518		3,047,728
Provisions for liabilities			(5,851)		(3,438)
Net assets			4,151,667		3,044,290
Equity					
Called up share capital	15		401,040		401,000
Retained earnings	16		3,750,627		2,643,290
Total equity			4,151,667		3,044,290

The financial statements were approved by the board of directors and authorised for issue on 24/8/20 and are signed on its behalf by:

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Mr S G Bland
Director

Company Registration No. SC548164

TARGET FUND MANAGERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 May 2018		401,000	420,285	821,285
Year ended 30 April 2019:				
Profit and total comprehensive income for the year		-	2,311,156	2,311,156
Dividends	9	-	(88,151)	(88,151)
Balance at 30 April 2019		401,000	2,643,290	3,044,290
Year ended 30 April 2020:				
Profit and total comprehensive income for the year		-	1,282,360	1,282,360
Issue of share capital	15	40	-	40
Dividends	9	-	(175,023)	(175,023)
Balance at 30 April 2020		401,040	3,750,627	4,151,667

TARGET FUND MANAGERS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	20		2,274,337		1,499,823
Interest paid			(963)		(145)
Income taxes paid			(590,972)		(233,558)
Net cash inflow from operating activities			1,682,402		1,266,120
Investing activities					
Purchase of intangible assets		(1,530,000)		(900,001)	
Purchase of property, plant and equipment		(12,945)		(25,434)	
Proceeds on disposal of property, plant and equipment		-		1,296	
Increase in director's loan account		-		(351,378)	
Net cash used in investing activities			(1,542,945)		(1,275,517)
Financing activities					
Proceeds from issue of shares		40		-	
Dividends paid		(175,023)		(88,151)	
Net cash used in financing activities			(174,983)		(88,151)
Net decrease in cash and cash equivalents			(35,526)		(97,548)
Cash and cash equivalents at beginning of year			1,123,792		1,221,340
Cash and cash equivalents at end of year			1,088,266		1,123,792

1 Accounting policies

Company information

Target Fund Managers Limited is a private company limited by shares incorporated in Scotland. The registered office is Laurel House, Laurelhill Business Park, Stirling, FK7 9JQ.

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. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Revenue

Turnover represents the amounts earned from the provision of investment and property management services excluding value added tax. Revenue is recognised in the financial statements when and to the extent that the entity obtains the unconditional right to consideration in exchange for its performance.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of trade and assets over the fair value of net assets acquired. It is initially recognised 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.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Furniture and fixtures	20% reducing balance
Office equipment	20% reducing balance

1.6 Impairment of fixed assets

At each reporting period end date, the company 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.

1 Accounting policies **(Continued)**

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Impairment of financial assets

Financial assets 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 company 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.

Basic financial liabilities

Trade payables 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 the market rate of interest.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1 Accounting policies **(Continued)**

1.10 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 income statement 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 company'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.

1.11 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 non-current assets.

1.12 Retirement benefits

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

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are useful life assigned to the associated goodwill and its amortisation.

3 Revenue

	2020	2019
	£	£
Revenue analysed by class of business		
Management Fees	4,855,842	3,952,282
Performance Fees	-	1,576,799
Cosec and Admin Fees	101,345	-
	4,957,187	5,529,081

4 Operating profit

Operating profit for the year is stated after charging:	2020 £	2019 £
Depreciation of owned property, plant and equipment	7,241	10,248
(Profit)/loss on disposal of property, plant and equipment	-	1,648
Amortisation of intangible assets	350,434	206,141

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2020 £	2019 £
For audit services		
Audit of the financial statements of the company	5,400	5,250
For other services		
Other assurance services	750	500
All other non-audit services	1,000	3,750
	1,750	4,250

6 Employees

The average number of persons (including those directors who are employees) employed by the company during the year was:

	2020 Number	2019 Number
Finance, compliance, and admin	9	7
Portfolio management	12	10
Other	3	3
	24	20

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,679,719	1,316,751
Social security costs	203,830	153,164
Pension costs	141,128	89,034
	2,024,677	1,558,949

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	171,556	146,179

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	385,939	587,639
Adjustments in respect of prior periods	1,918	(2,611)
Total current tax	387,857	585,028
Deferred tax		
Origination and reversal of timing differences	2,368	3,312
Total tax charge	390,225	588,340

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

	2020 £	2019 £
Profit before taxation	1,672,585	2,899,496
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	317,791	550,904
Tax effect of expenses that are not deductible in determining taxable profit	3,418	2,938
Adjustments in respect of prior years	1,918	(2,611)
Deferred tax not recognised	72,300	33,551
Rate movements	(5,388)	3,558
Fixed asset differences	186	-
Taxation charge for the year	390,225	588,340

9 Dividends

	2020 £	2019 £
Interim paid	175,023	88,151

10 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 May 2019	2,569,343
Additions	1,530,000
At 30 April 2020	4,099,343
Amortisation and impairment	
At 1 May 2019	289,608
Amortisation charged for the year	350,434
At 30 April 2020	640,042
Carrying amount	
At 30 April 2020	3,459,301
At 30 April 2019	2,279,735

The additions to goodwill represent additional consideration paid for an acquisition made in 2017 which became payable during the year and was not previously recognised.

11 Property, plant and equipment

	Furniture and fixtures	Office equipment	Total
	£	£	£
Cost			
At 1 May 2019	28,930	32,508	61,438
Additions	-	12,945	12,945
At 30 April 2020	28,930	45,453	74,383
Depreciation and impairment			
At 1 May 2019	7,112	7,042	14,154
Depreciation charged in the year	3,373	3,868	7,241
At 30 April 2020	10,485	10,910	21,395
Carrying amount			
At 30 April 2020	18,445	34,543	52,988
At 30 April 2019	21,818	25,466	47,284

12 Trade and other receivables

Amounts falling due within one year:	2020 £	2019 £
Corporation tax recoverable	114,198	114,198
Other receivables	401,667	421,878
Prepayments and accrued income	407,213	377,406
	923,078	913,482

13 Current liabilities

	2020 £	2019 £
Trade payables	343,130	260,946
Corporation tax	498,353	699,100
Other taxation and social security	175,013	91,823
Other payables	-	13,471
Accruals and deferred income	349,619	251,225
	1,366,115	1,316,565

14 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	141,128	89,034

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
400,000 ordinary A shares of £1 each	400,000	400,000
1,000 ordinary B shares of £1 each	1,000	1,000
40 ordinary C shares of £1 each	40	-
	401,040	401,000

40 £1 C shares were issued during the year at par.

A shares carry no voting rights. A shares have a right to dividends as and when declared by the company, until such time as the holders of the A shares have received an amount equal to 5 per cent per annum of the amount subscribed for the shares in issue.

B shares carry one vote per share. B shares have a right to dividends as and when declared by the company, after the holders of A shares have receive their distributions. B shares are not redeemable at the option of shareholders or the company.

C shares carry no voting rights. C shares have a right to dividends once A shareholders have received their entitlement as outlined above.

16 Retained earnings

Includes all retained profit and loss less distributions.

17 Contingent Liability

Contingent consideration of up to £8,539,997 could be payable in respect of a business acquired during 2017.

However inter alia, this consideration is only payable if it would not impact the going concern status of the company.

18 Related party transactions

Transactions with related parties

Target Fund Managers Limited, Target Advisers LLP, and Carlton Equity Limited are subject to common control.

During the year, loans were provided to Target Fund Managers Limited from Target Advisers LLP. At the year end, Target Fund Managers Limited owed the LLP £358,805 (2019: £57,029).

Dividends of £173,023 were paid to entities controlled by the directors of the company.

During the year the entity was recharged £215,729 (2019: the entity was recharged £232,578) of shared expenses to Target Advisers LLP. The entity also paid Target Advisers LLP £1,530,000 (2019: £900,001) of contingent consideration in respect of a business acquired from Target Advisers LLP in 2017.

At the year end the entity was owed £280,878 by a director.

Key management personnel are the directors of the entity and their remuneration for the period paid through the entity was £171,556 (2019: £165,186).

19 Ultimate controlling party

The immediate and ultimate parent company is Carlton Equity Limited by virtue of its controlling stake in the business. Carlton Equity Limited is jointly owned by Kenneth and Angela MacKenzie, who are thus the ultimate controlling parties.

20 Cash generated from operations

	2020	2019
	£	£
Profit for the year after tax	1,282,360	2,311,156
Adjustments for:		
Taxation charged	390,225	588,340
Finance costs	963	145
(Gain)/loss on disposal of property, plant and equipment	-	1,648
Amortisation and impairment of intangible assets	350,434	206,141
Depreciation and impairment of property, plant and equipment	7,241	10,248
Increase in provisions	2,413	3,312
Movements in working capital:		
(Increase) in trade and other receivables	(9,596)	(91,366)
Increase/(decrease) in trade and other payables	250,297	(1,529,801)
Cash generated from operations	2,274,337	1,499,823

Pillar 3 Disclosure (not part of the audited financial statements)

The Capital Requirements Directive (CRD) of the European Union created a revised regulatory capital framework across Europe governing how much capital financial services firms must hold. In the United Kingdom this is implemented and enforced by the Financial Conduct Authority (FCA) with rules and guidance within the General Prudential Sourcebook (GENPRU) and the Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU). The framework is structured around three 'pillars'.

- Pillar I: Sets out the minimum regulatory capital requirements a firm must adhere to. A BIPRU firm must maintain capital resources which are at least equal to the base capital resources requirement. A firm must also meet the variable capital requirement which is the higher of a) the capital required to cover a firm's credit, market and operational risk or b) the firm's fixed overhead requirements. The base capital can be used to meet the variable capital requirement.
- Pillar II: Requires a firm to regularly assess the amount of internal capital it considers adequate to cover all of the risks to which it is exposed, within the context of its overall risk management framework. The process, known as the Internal Capital Adequacy Assessment Process (ICAAP) is the firm's responsibility and is the key document reviewed by the FCA as part of their Supervisory Review and Evaluation Process (SREP).
- Pillar III: Requires firms to make disclosures to the market for the benefit of the market. The aim is to encourage market discipline by developing a set of disclosure requirements, both generic and accounting specific, which will allow market participants to assess key pieces of information on a firm's capital, risk exposures and risk assessment processes.

The capital requirements of the firm are monitored on an ongoing basis to ensure that at any time there is always sufficient capital in place. The Company's disclosure requirements under Pillar 3 are published annually and copies are available by request from the Company's place of business, Laurel House, Laurelhill Business Park, Stirling, FK7 9JQ.