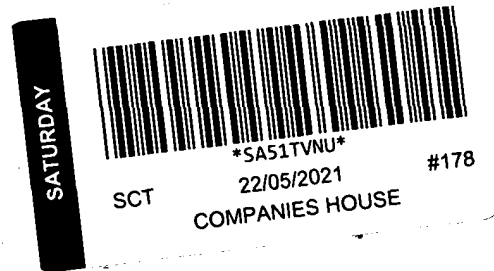


Company Registration No. SC376947 (Scotland)

**ANDERSON STRATHERN ASSET
MANAGEMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2020



ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	M McCall J M Brettell J M Brett C Tomlinson G S Clark (Appointed 21 October 2019)
Secretary	AS Company Services Limited
Company number	SC376947
Registered office	1 Rutland Court Edinburgh United Kingdom EH3 8EY
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

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ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

Principal activity and business review

Anderson Strathern Asset Management Limited (ASAM) offers a comprehensive wealth management service combining our financial planning and investment management expertise. Our team provide independent advice over a range of financial services from one off reviews to a bespoke financial solution, based on a thorough understanding of the objectives of the client.

The focus this year was initially to build on the structural changes of the prior year and ensure that ASAM continues to lead on it's advice proposition. Expanding the proposition range, improving process efficiencies, populating the structure appropriately and growing the business organically, were at the heart of the strategic aims throughout 2019/20 and continue to be going forward but with more of an emphasis on creating a digital footprint as a result of increased remote working. In this respect the business adjusted well to the Pandemic and was able to continue to serve our clients uninterrupted as we developed our remote services.

Fee Income in 2020 was £1,631k, an increase of 9.8% on the previous year (2019: £1,486k) predominantly as a result of new client wins, increased growth in assets from existing clients and a modernisation of the Fee Tariff aligned more appropriately to the advice led value offering.

Revenue was negatively affected at the mid-point of the year owing to the impact of stock market falls as a result of COVID.

Despite the obvious disruption through the impact of COVID, new business referrals continued at similar levels to the prior year. New business in the pipeline continues at healthy levels and continues to project ahead of budget.

With markets having partially recovered, a strong focus on client service and retention plus strong relationships with the parent and sole shareholder, ASAM remains optimistic that it can grow the revenue over the next few years.

Payroll costs increased marginally (+6%) in line with budget, reflecting ASAM's continuing investment in the quality and experience of it's staff to support service enhancement and growth ambitions.

Most overheads were down on the prior year, reflecting strong cost control in very challenging times, with the exception of increases in regulatory fees impacting the whole industry and a rise in irrecoverable VAT owing to a stronger focus on Advisory business.

The business generated a profit of £29.5k before tax, compared to a prior year loss of £4.8k before tax.

Net assets have increased at the balance sheet date to £575k (2019: £551k). The capital requirement of the business is kept regularly under review by the Board. Cash held reduced during the year aligned to the reduction in outstanding creditors.

Principal risks and uncertainties

As a regulated firm ASAM monitors all activities to ensure compliance with FCA regulation and other appropriate global legislation.

Governance and control are regarded as paramount by the Board and ASAM has a Risk Committee (a subcommittee of the Board) which meets at least 4 times a year. The Risk Committee reports to the Board on the robustness of processes, reporting and controls, and any risk or compliance issues that arise.

This structure enables the Board to stay on top of the key regulatory risks and pressures and ensure that the business remains fit for purpose at all times.

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties (continued)

Through the Risk committee and the Board, implementation of the new SMCR regulations was delivered in the new financial year, well before the December 2019 deadline.

As the business is a clearly defined Advice led model, it has been appropriate to form an Advice Forum reporting into the Risk Committee and the Board with a view to maintaining suitable advice philosophy and guidelines along with analysing the value in new product or market developments.

Fee income is linked to the performance of the financial markets and is therefore one of the principal risks of the business. The total value of Assets under Management is monitored closely as a KPI, together with an analysis of the fee income deriving from those assets.

The outcome of Brexit, the US election and the continuing impact of COVID globally can all impact the market values adversely and will therefore continue to be monitored.

The ASAM investment committee meets regularly to manage model portfolios and equity investments. Our clients' aims are typically long term in nature and this, together with the attitude to risk, dictates the investment approach taken and enables our investment team to look through the short term noise in the markets.

Beyond a strong existing client review focus, capacity to increase the number of new clients on boarded is key to growing the revenue and shoring up any future sustained market falls. ASAM's revised structure enables it to do this in the years ahead and is therefore well positioned to capitalise on new growth opportunities.

Matters of strategic importance

ASAM continues to populate the business structure appropriately and has already grown the number of client facing advisers in the last year to enable the business to grow by leading on the Advice proposition.

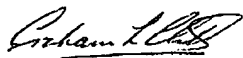
Increased Adviser population has helped relationships with our parent company to remain healthy and continue to flourish with business referrals being experienced on a reciprocal basis.

Strong focus has been placed during the year on enhancing our investment process efficiencies and developing our range of investment solutions both internally and externally. Significant work has already been completed with final outputs expected early in 2020/21.

ASAM has also clearly defined its target market in terms of client type and the areas advice provided. The business remains authorised to undertake defined benefit (DB) transfer business although this is only undertaken after extensive assessment of an individual's specific circumstances. In addition to a quality review by our retained compliance advisers, ThreeSixty Services, before any DB advice is actioned, further governance is afforded through a CEO and Head of Compliance filter before being considered.

ASAM continues to regard its brand, reputation and position in the market as unique and we continue to focus on maximising the internal growth potential in the short to medium term.

On behalf of the board



.....
G S Clark
Director

14 December 2020
.....

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

Principal activities

The principal activity of the company is the provision of asset and wealth 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:

M McCall

J M Brettell

J M Brett

C Tomlinson

G S Clark

(Appointed 21 October 2019)

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Johnston Carmichael LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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;
- 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.

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.

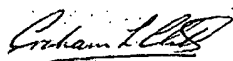
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

On behalf of the board



.....
G S Clark
Director

Date: 14 December 2020
.....

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Anderson Strathern Asset Management Limited (the 'company') for the year ended 31 August 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 31 August 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.

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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.

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

David Holmes
for and on behalf of Johnston Carmichael LLP

14 December 2020
.....

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Turnover	3	1,630,589	1,485,674
Cost of sales		(974,921)	(962,278)
Gross profit		655,668	523,396
Administrative expenses		(626,190)	(528,435)
Operating profit/(loss)	4	29,478	(5,039)
Interest receivable and similar income	7	32	284
Profit/(loss) before taxation		29,510	(4,755)
Tax on profit/(loss)	8	(5,539)	762
Profit/(loss) for the financial year		23,971	(3,993)

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

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

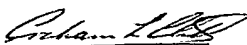
BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	9	252,410		234,948	
Cash at bank and in hand		438,631		593,039	
		<u>691,041</u>		<u>827,987</u>	
Creditors: amounts falling due within one year	10	<u>(116,218)</u>		<u>(277,135)</u>	
Net current assets			<u>574,823</u>		<u>550,852</u>
Capital and reserves					
Called up share capital	13	150,000		150,000	
Profit and loss reserves	14	424,823		400,852	
Total equity			<u>574,823</u>		<u>550,852</u>

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 14 December 2020 and are signed on its behalf by:



G S Clark
Director

Company Registration No. SC376947

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital £	Profit and loss. reserves £	Total £
Balance at 1 September 2018	150,000	404,845	554,845
Year ended 31 August 2019:			
Loss and total comprehensive income for the year	-	(3,993)	(3,993)
Balance at 31 August 2019	150,000	400,852	550,852
Year ended 31 August 2020:			
Profit and total comprehensive income for the year	-	23,971	23,971
Balance at 31 August 2020	150,000	424,823	574,823

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

Anderson Strathern Asset Management Limited is a private company limited by shares incorporated in Scotland. The registered office is 1 Rutland Court, Edinburgh, United Kingdom, EH3 8EY.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Anderson Strathern LLP. These consolidated financial statements are available from its registered office, 1 Rutland Court, Edinburgh, EH3 8EY.

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.

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.3 Turnover

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other related services.

Turnover from advice and service fees represents the consideration receivable for services provided to clients during the year. Turnover on engagements that are unbilled at the balance sheet date is recognised by reference to the assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. This includes all client engagements other than those unbilled amounts where the right to receive consideration is contingent on factors outside the control of the firm.

A management fee is charged to the client based on the valuation of the portfolio under management, which is recognised on a monthly basis on the provision of the management services.

1.4 Financial instruments

The company 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 company's balance sheet 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 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.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities 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.

Derecognition of financial liabilities

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

1.5 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.

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.6 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 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.

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 when the company has 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.

1.7 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.

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

1.8 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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.

In the opinion of the directors, there are no critical accounting judgement or sources of estimation uncertainty in preparing the financial statements.

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Provision of wealth management services	1,630,589	1,485,674

	2020 £	2019 £
Other significant revenue		
Interest income	32	284

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	1,630,589	1,485,674

4 Operating profit/(loss)

	2020 £	2019 £
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	8,750	8,500

5 Employees

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

	2020 Number	2019 Number
Operational	19	21

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	962,884	942,503
Social security costs	106,830	104,051
Pension costs	90,485	47,315
	1,160,199	1,093,869

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	178,789	127,368
Company pension contributions to defined contribution schemes	6,489	4,223
	<u>185,278</u>	<u>131,591</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	32	284
	<u>32</u>	<u>284</u>

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	4,777	-
	<u>4,777</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	852	(852)
Changes in tax rates	(90)	90
	<u>762</u>	<u>(762)</u>
Total deferred tax	<u>762</u>	<u>(762)</u>
Total tax charge/(credit)	<u>5,539</u>	<u>(762)</u>

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Taxation

(Continued)

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

	2020 £	2019 £
Profit/(loss) before taxation	29,510	(4,755)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	5,607	(903)
Tax effect of expenses that are not deductible in determining taxable profit	22	51
Tax rate changes	(90)	90
Taxation charge/(credit) for the year	5,539	(762)

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	36,276	25,279
Prepayments and accrued income	216,134	208,907
	252,410	234,186
Deferred tax asset (note 11)	-	762
	252,410	234,948

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	3,294
Amounts owed to group undertakings	23,704	198,646
Corporation tax	4,777	-
Other taxation and social security	32,075	40,929
Other creditors	5,826	2,754
Accruals and deferred income	49,836	31,512
	116,218	277,135

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2020 £	Assets 2019 £
Balances:		
Tax losses	-	762
	<u> </u>	<u> </u>
Movements in the year:		2020 £
Asset at 1 September 2019		(762)
Charge to profit or loss		762
		<u> </u>
Liability at 31 August 2020		-
		<u> </u>

12 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	90,485	47,315
	<u> </u>	<u> </u>

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.

13 Share capital

	2020 £	2019 £
Ordinary share capital issued and fully paid		
150,000 of £1 each	150,000	150,000
	<u> </u>	<u> </u>

All shares rank equally in all respects and have the right to vote, participate in payment of dividends, and to participate in a return of capital (including on winding up). None of the shares are redeemable or are liable to be redeemed.

14 Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

ANDERSON STRATHERN ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Ultimate controlling party

The directors consider the ultimate parent undertaking to be Anderson Strathern LLP, a company incorporated in Scotland.

Anderson Strathern LLP is the immediate parent, and is the smallest and largest company for which consolidated accounts including Anderson Strathern Asset Management Limited are prepared. The consolidated accounts of Anderson Strathern LLP are available from its registered office, 1 Rutland Court, Edinburgh, EH3 8EY.

16 Related party transactions

As a subsidiary of Anderson Strathern LLP, the company has not disclosed details of transactions with its parent as a wholly owned subsidiary undertaking. This disclosure exemption is in line with section 33 of the Financial Reporting Standard 102.

17 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, 1 Rutland Court, Edinburgh, EH3 8EY.