Annual report and audited consolidated financial statements

Year ended 31 December 2022
7IM Holdings Limited
Company Number: 04092911

Succeeding together

7IM

Contents

Company information	04
Strategic report	06
Directors' report	15
Independent auditor's report to the members of 7IM Holdings Limited	18
Consolidated and parent company statement of comprehensive income	22
Consolidated and parent company statement of financial position	23
Consolidated and parent company statement of changes in equity	24
Consolidated and parent company statement of cash flows	25
Notes to the financial statements	27

Company information

Company Registration Number: 04092911

Registered office: 55 Bishopsgate, London EC2N 3AS

Independent auditor: BDO LLP, 55 Baker Street, London W1U 7EU

Directors

The Directors of the Company who were in office at the date of signing the financial statements were:

A T Grace

Chairman

J A Lander

Director

T W Leader

Director

D M Proctor

Director

D R Walker

Director

D T M Young

Director

Indigo Corporate Secretary Limited

Company Secretary

Strategic report

Strategic report for the year ended 31 December 2022

The Directors present their strategic report for 7IM Holdings Limited (the 'Company') for the year ended 31 December 2022.

Review of the business and performance

The Company is part of a group headed by Caledonia Thames Holdings (Jersey) Limited, together with underlying subsidiaries, namely Caledonia Thames Group (Jersey) Limited, Caledonia Thames Acquisitions (Jersey) Limited, Seven Investment Management LLP ("7IM LLP"), 7IM Investment and Retirement Solutions Limited, Partners Wealth Management LLP ("PWM LLP"), Find A Wealth Manager Limited ("FAWM"), 7IM Trustees Limited, 7IM Limited. They are collectively known as the 'Group'. The Group excluding the three Jersey companies is known as the 'UK Group', of which the Company is the parent.

The Company continues to act as the Corporate Member of Seven Investment Management LLP and Partners Wealth Management LLP. The performance for the Company during the year ended 31 December 2022 is predominantly attributable to income from its investment in Seven Investment Management LLP and Partners Wealth Management LLP. The Company made a profit after tax of £15.4 million in 2022 (2021: £12.2 million). The Company's income increased by 28.2% to £18.3 million in 2022 compared to £14.2 million in 2021.

The main business carried on by the UK Group during the year was the provision of investment management and financial advisory services to individual clients and a range of Open Ended Investment Companies and Model Portfolios, as well as wrap platform services to financial intermediaries. The acquisitions of Partners Wealth Management LLP and Find A Wealth Manager Limited in 2020 have added additional income streams to the UK Group.

The UK Group's profit before tax for the year ended 31 December 2022 was £15.2 million (2021: £9.5 million). The business of Seven Investment Management LLP has performed well in 2022 in light of the challenging economic environment during the year (details are included in the Strategic Report within the financial statements of Seven Investment Management LLP). Profits allocated to the Company from Seven Investment Management LLP amounted to £13.3 million for the year (2021: £8.6 million). Profits for the year allocated to the Company from Partners Wealth Management LLP amounted to £3.7 million (2021: £2.1 million).

The UK Group has continued to operate under an agile working approach throughout 2022, with staff being offered the flexibility to work from either the office or remotely, depending on their circumstances.

Over the course of 2022 the UK Group has continued to invest in its staff development and culture programme, termed 'Succeeding Together', with its award-winning training partners, ABSTRACT, who have been critical in helping the UK Group to refresh and reset its culture. As part of the programme, at the end of 2022, the UK Group held 20 cultural advancement events with colleagues across London and Edinburgh.

Strategic report continued

Business development

In May 2022, the LLP expanded its retirement proposition for financial advisers by partnering with retirement specialists Just to offer its Secure Lifetime Income ("SLI") on the 7IM Platform. SLI sits within the 7IM SIPP, is accessed via the 7IM Platform, and enables advisers to offer an income producing asset alongside existing drawdown arrangements and other investment strategies for their clients.

Following adviser demand, the LLP added an Adventurous Plus Model Portfolio to its Blended range in August 2022. The Blended Model Portfolio range is underpinned by 7IM's robust Strategic Asset Allocation process but to keep costs down the asset allocation is implemented using passive and smart passive investments.

In September 2022, the LLP successfully migrated over existing 7IM Private Clients (excluding ex-TCAM clients) to the Xplan Client Portal, My7IM. The new client portal will provide these clients with an enhanced and more streamlined digital experience.

In December 2022, the LLP further expanded its retirement proposition by (soft) launching the 7IM Retirement Income Solution ("RIS") on the 7IM Platform. RIS is a highly bespoke and innovative solution for financial advisers designed to support their clients' retirement plans by giving them the confidence that their retirement income can be maintained while ensuring the flexibility to adapt when personal circumstances change. A key feature of RIS is that it uses a bucketing approach to manage retirement income over multiple time horizons, as well as multiple tax wrappers.

Partners Wealth Management LLP continued to perform strongly and had another year of record revenues. During the year they also won several awards, including the Excellence in Investment Planning (UK) award at the International Adviser Best Practice Awards and the CityWise London Adviser Firm of the Year Award.

Find A Wealth Manager Limited also continues to grow, with 2022 being a record year for revenues. Enquiries, referrals and conversions continue to perform well and the business looks to enhance its offering in 2023 to clients with lower assets under management in line with increased demand in that area.

Strategic report continued

Key Performance Indicators (KPIs)

The Company's main KPI is profit share received from subsidiaries. Profits allocated to the Company from Seven Investment Management LLP amounted to £13.3 million for the year (2021: £8.6 million). Profits for the year allocated to the Company from Partners Wealth Management LLP amounted to £3.7 million (2021: £2.1 million).

The UK Group's KPIs relate to revenue and profit achieved during the year.

UK Group revenue increased by 0.23%, increasing from £92.3 million for the year ended 31 December 2021 to £92.5 million for the year ended 31 December 2022.

UK Group profit before tax for the year ended 31 December 2022 was £15.2 million, a 61% increase on the prior year's figures of £9.5 million.

Profits for the year allocated to the Company from

7IM

£13.3 million

Profits for the year allocated to the Company from

PARTNERS
WEALTH MANAGEMENT

£3.7 million

Strategic report continued

Principal risks and uncertainties

The principal financial risks for the Company relate to Operational, Market, Regulatory, Liquidity, Conduct and Credit risks. These financial risks are analysed in more detail in note 3. Business risks are broken down further as per our Risk Management Framework, into specific Key Risks set out below:

- **Cyber & Data Security –** This is the risk of potential regulatory sanction, financial, reputational, operational and client related risks arising from inadequate and/ or ineffective controls in respect of cybercrime security (both physical and electronic form).
- **Financial Crime –** Potential regulatory sanction, financial, reputational, operational and client related risks arising from inadequate and/ or ineffective controls in relation to Financial Crime Prevention.
- **Investment Performance –** This is the risk of continued sub-optimal investment performance caused by poor investment decisions. This risk is highly correlated to the risk of Extreme Market Conditions.
- **IT Infrastructure & Capabilities –** The risk of not achieving business objectives and any potential negative impact on clients as a result of sub-optimal IT infrastructure (including capacity) and IT capability.
- **People –** The risk to achieving business objectives as a result of insufficient human resources in terms of numbers, focus, culture and skill set which could also result in poor client outcomes.
- **Regulatory, Tax & Legal Compliance –** This risk relates to ensuring the Company continues to meet current and future legislative and regulatory requirements. A key focus around this for 2022 and 2023 is compliance with Consumer Duty.
- **Suitability & Conduct Risk –** The financial, reputational and business risks associated with poor client outcomes due to, provision of unsuitable advice, investment suitability, poor conduct and/ or culture.
- **Third Party Suppliers –** The risk that any third-party supplier including IT system providers, price feeds and outsourced service providers, fail to deliver the agreed service levels potentially impacting client outcomes, regulatory requirements and affecting the achievement of business objectives.

For information on the Financial risk management of the Group, please see note 3.

Strategic report continued

Streamlined Energy and Carbon Reporting Regulations

7IM Holdings Limited falls within scope for the Streamlined Energy and Carbon Reporting Regulations (SECR) and is therefore required to report energy and emissions resulting from the combustion of gas and from fuel for transport. SECR also requires a relevant Emissions Intensity Ratio to be calculated and details given of any Energy Efficient Actions carried out through the reporting year.

Greenhouse gas emission increased in 2022 when compared to prior year due to a higher consumption of natural gas reported from the Scottish offices and increased amount of travel reported within Scope 3. In line with the sustainability commitment made by the business in 2021, rail travel now represents more than 44% of the total 2022 travel (against 20% in the prior year); Air travel has reduced to less that 1% from 10% in the prior year (where travel restrictions still applied).

7IM Holdings Limited tCO_{2e}	2022 kWh	2021 kWh	2022 tCO_{2e}	2021 tCO_{2e}	2022 (£)
Scope 1					
Purchased natural gas combustion (kWh)	**431,972.04**	216,883.20	**78.90**	39.88	**30,059.49**
Combustion of fuel for Company owned transport	-	-	**-**	-	
Scope 2					
Purchased electricity (kWh)	**463,391.45**	470,429.58	**89.61**	99.89	**84,888.47**
Scope 3					
Diesel miles claimed (average biofuel blend)	**39,914.41**	20,761.83	**10.20**	5.33	**17,991.31**
Petrol miles claimed (average biofuel blend)	**34,423.94**	17,905.91	**10.82**	5.87	**15,516.50**
Business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing fuel	**74,338.35**	38,667.73	**21.02**	11.20	**33,507.81**
Mandatory Reporting Totals from above:	**969,701.84**	725,980.51	**189.54**	150.96	**148,455.77**
Staff numbers			**491**	472	
Intensity ratio (tCO_{2e} per FTE)			**0.39**	0.32	
Air travel (KMs)	**110,844.00**	49,879.00	**27.25**	12.26	**21,308.64**
Bus (KMs)	**56.96**	10.00	**0.01**	0.00	**98.20**
Rail (KMs)	**463,549.87**	74,049.05	**16.44**	2.63	**109,428.61**
Taxi (KMs)	**10,571.42**	2,645.67	**2.20**	0.55	**20,403.92**
Water supply and treatment (cm^3)	**2,544.96**	1,356.48	**0.36**	0.22	**21,261.14**
Refuse & waste (tonnes)	**27.79**	23.49	**0.59**	0.49	**19,098.02**
T&D on imported electricity (kWh)			**8.20**	8.84	
Total tCO_{2e}			**244.58**	175.95	**340,054.30**
Staff numbers			**491**		
kWh per FTE			**1,975**		
Intensity ratio (tCO_{2e} per FTE)			**0.50**	0.37	

Strategic report continued

Data methodology

The energy and emission figures included in this report have been collected and calculated according to the Greenhouse Gas Reporting Protocol – Corporate Standard.

Where data was not available, the LLP would extrapolate missing data points with either budgets or estimations, taking an applicable average across a suitable sample, or utilising usage associated to the previous month (if available).

When calculating our proportion to the whole building's consumption, this has been calculated using a percentage based on floor size tenancy proportion, made available by building management. We also used 2021's historical weighting to petrol and diesel mileage claims, to determine these metrics for the months we could not determine what type of fuel was utilised for the mileage claim.

Energy Efficiency Actions

In 2023 the group will continue to support a sustainability minded culture to reduce the carbon emissions across all the business activity. In order to achieve this objective, the carbon consumption data will be collated quarterly and communicated to the wider business to ultimately become part of a set of ambitious targets allocated per team.

Strategic report continued

Strategic decisions and Stakeholder – Section 172

The Directors of the UK Group have a duty, under Section 172 of the Companies Act, to act in good faith, to promote the success of the UK Group for the benefit of its stakeholders as a whole. In order to promote the success of the UK Group for all stakeholders, the Board has given regard to:

- the likely consequences of any decision in the long term;
- the interest of the UK Group's employees and members;
- the need to foster the UK Group's business relationships with clients and others;
- the impact of the UK Group's operations on the community and the environment;
- the desirability of the UK Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly towards all stakeholders of the UK Group.

During the year the Board has considered its duties under s172 and how it fulfils its obligations thereof in respect to the following key stakeholder groups:

Employees and Members

The UK Group is committed to employing individuals from a wide range of backgrounds, and recognises that this is a long-term plan. The success of the UK Group depends on attracting, developing and retaining talented people to create high performing diverse teams that set us apart from our competitors.

The UK Group is committed to supporting the principle of equal opportunities and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, gender, ethnic origin, marital status, disability, religion, age or sexual orientation. The UK Group's aim is to recruit, train and promote the best person for the job and to create a working environment free from unlawful discrimination, victimisation and harassment, and on which all employees and members are treated with dignity and respect.

The UK Group wants to build a great business with a great culture. Over the course of 2022 the Group has continued to invest in staff development and a culture programme, termed 'Succeeding Together', with our award-winning training partners, ABSTRACT, who have been critical in helping the Group to refresh and reset the culture at 7IM. As part of the culture refresh, the Group has been working to create a positive, diverse and inclusive workplace and launched the Gender Equality Network in July 2021 to further facilitate this. The Gender Equality Network aims to remove barriers to progression for women in the business and further close the gender pay gap.

Clients

The UK Group's clients, whether individual or corporate, are vital to the success of the business. The UK Group's offering has been shaped in close collaboration with financial advisers and with individual clients. Based on what clients have told the UK Group, through either face to face

Strategic report continued

contact or client surveys, the business has a suite of services, technology and products for clients across the UK, whatever their needs may be. The behaviour of employees towards clients is governed by the UK Group's risk frameworks and the FCA requirements.

We also understand the impact that clients can have on our business, for example from a reputational, corruption, tax-avoidance or money laundering perspective, and all new clients are subject to thorough due diligence before being accepted.

The Community and the Environment

The UK Group is proud to announce that in February 2023 the UK Group was named successful signatories to the Financial Reporting Council's (FRC's) UK Stewardship Code 2021. This follows the UK Group's successful application to the 2020 code. The UK Stewardship Code sets high standards for asset managers and owners, with a set of 12 principles that cover a range of stewardship activities and outcomes. Positive feedback was received on the UK Group's purpose, culture, business model and strategy, as well as its investment beliefs and how they are put into practice to ensure that the UK Group is a sound stewards of client assets.

In 2022 staff raised money various charities, through a combination of staff fundraising, matched funding and donations from the UK Group, colleagues and friends. In addition to fundraising for a variety of causes, throughout 2022 we also supported our two partnership charities; Centrepoint, a London based charity that helps homeless youths, and the Scottish Association for Mental Health. All colleagues have the opportunity to suggest and vote for our partnership charities for the year ahead. By putting the decision of who and what to support in the hands of the team, rather than driving these decisions at management level, the UK Group is building its community spirit, and encouraging everyone to get involved in fundraising.

Throughout 2022 many lives were lost as well as families and homes being destroyed by the ongoing Ukraine conflict. The UK Group has committed to match any fundraising efforts, up to £5,000, to support the Ukraine crisis. Donation points have been set up in each of our offices and have collected various items including clothes and toiletries for the appeal.

The UK Group continues to promote its Give as you earn scheme, launched in 2021 whereby staff members can nominate a certain amount to a specific charity from their monthly salary. Give as you earn is a tax efficient way of donating to any charity staff choose to support. There are no minimum or maximum amounts, and donations can be made to as many causes as staff so desire.

The UK Group believes being a good citizen starts in your own community. This is the key drive behind the launch of our Volunteer Leave Policy for 2023. This initiative will enable colleagues to take paid time off to participate in volunteer activities that align with the UK Group's values and sustainability efforts. We will be encouraging all colleagues to take advantage of this opportunity to give back and make a positive impact in our communities.

Strategic report continued

Shareholders

The Board oversees, governs and makes decisions on behalf of members of the two LLPs and shareholders of other group entities and therefore is directly responsible for protecting and managing their interests in the UK Group. It does this by setting the strategies, policies and corporate governance structures described elsewhere in these financial statements.

The UK Group's strategic objectives are to:

- lead with and grow our first class Platform business;
- integrate and deliver synergies from our recent acquisitions;
- deliver consistently strong Investment Performance for our investors;
- ensure robust Governance and strong Risk Management;
- lead on diversity, sustainability and responsible investment opportunities;
- continue to invest in Human Resources and Technology; and
- remain cost efficient.

The key decisions made by the Board in 2022 in order to achieve these objectives included:

- Decision to invest in Project Ocean, a multiphase enhancement of the 7IM Platform and digital technology.
- Approval of the enhanced Capital Adequacy Assessment (ICARA) for the first time following the introduction of new Regulatory rules under IFPR.
- Decision to continue to enhance Corporate governance with the hiring of a new INED for a Regulated subsidiary (PWM LLP).
- Decision to further invest in people with 2 separate pay increases in a high inflation environment.
- Decision to further enhance Risk Management with the recruitment of a Chief Risk Officer to run a dedicated 2nd line Risk & Compliance department.
- Decision to close the Jersey Branch for greater efficiency.
- Support agile working through further investment in remote working tools and a decision to change Corporate offices in 2023.
- Decision to take the lead on diversity, sustainability and responsible investment opportunities.

On behalf of the Board:

D R Walker, Director, 30 March 2023

Directors' report

The Company was incorporated as a limited company in the United Kingdom on 19 October 2000 in accordance with the Companies Act 2006. The Company is domiciled in the United Kingdom.

The UK Group consists of Seven Investment Management LLP, 7IM Investment and Retirement Solutions Limited, 7IM Trustees Limited, Partners Wealth Management LLP and Find A Wealth Manager Limited.

The Company's immediate parent is Caledonia Thames Acquisitions (Jersey) Limited, and its ultimate parent and ultimate controlling party is Caledonia Investments plc, a UK incorporated entity. The ultimate parent company is Caledonia Investments plc.

The Directors present their annual report and audited consolidated financial statements of the Company for the year ended 31 December 2022.

The Directors have decided to present the company's Carbon Reporting in their Strategic Report as it is considered that the carbon emissions are of strategic importance to the Company.

Principal activities

The principal business of the Company is as the Corporate Member of Seven Investment Management LLP and Partners Wealth Management LLP. The Company is also the parent company of 7IM Investment and Retirement Solutions Limited and Find A Wealth Manager Limited. The main business carried out by the UK Group is the provision of investment management and financial advisory services to individual clients and a range of Open Ended Investment Companies and Model Portfolios, as well as wrap platform services to financial intermediaries.

Business review and future developments

The Directors' report should be read in conjunction with the Strategic Report on page 6, which together cover information about the Company's business, its financial performance during the year, likely developments, and any risks and uncertainties associated with the business.

The UK Group is expecting 2023 to be a year for growth. Partners Wealth Management LLP and Find A Wealth Manager Limited will continue to grow and be integrated into the UK Group.

Financial results and dividends

The results for the year and the state of the Company's affairs are set out in the financial statements on pages 22 to 62.

Interim ordinary dividends of £13.6 million were paid during 2022 (2021: ordinary dividends of £8.5 million were paid).

An 8% preference share dividend of £33,000 was paid during 2022 (2021: £56,000).

Going concern

The Directors have prepared forecasts and cash flow projections over a period extending longer than 12 months from the date of issuance of these financial statements. The forecasts have been stress tested for several scenarios including a market drop, loss of key customers and a trading error not covered by insurance. After considering these forecasts and projections the Directors are satisfied that the Company has sufficient financial resources to meet its operational needs, liabilities and commitments and have accordingly prepared these financial statements on a going concern basis.

Directors' report continued

Auditor

Pursuant to Section 487 of the Companies Act 2006, BDO LLP will be deemed to be reappointed and will therefore continue in office.

All Directors have taken all appropriate steps to make themselves aware of any information needed by the Company and the Company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

A T Grace

J A Lander

T W Leader

D M Proctor

D R Walker

D T M Young

Qualifying third party indemnity provision

At the date of this report, a qualifying third party indemnity provision, made by the Company, is in place for the benefit of all the Directors listed above. This provision was in place throughout the financial year covered by these financial statements and also at the date of approval of the financial statements.

Statement of Directors' responsibilities in respect of the Annual Report, Strategic Report, the Directors' Report and the Financial Statements

Basis of preparation

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted International Accounting Standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the UK Group and parent company and of their profit or loss for that period. In preparing each of the UK Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- assess the UK Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the UK Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Directors' report continued

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

D R Walker, Director, 30 March 2023

Independent auditor's report

To the members of the 7IM Holdings Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 7IM Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the Consolidated and Parent Company Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent 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 UK adopted international accounting standards, and as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report continued

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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial 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.

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 or 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 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.

Independent auditor's report continued

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the Group and the Parent Company. We determined that the most significant legal and regulatory frameworks, which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.) as well as those resulting from certain group subsidiaries being authorised by the Financial Conduct Authority to undertake regulated activities.
- We made enquiries of management and Those Charged With Governance as to whether there were any known instances of non-compliance, or any actual, suspected or alleged fraud. We corroborated our enquiries through review of board minutes, review of legal invoice, as well as review of relevant regulatory compliance information and correspondence.
- We assessed the risk of susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur and determined the principal risks related to revenue recognition and management override. In particular, we challenged management on the appropriateness of accounting estimates related to impairment of goodwill, investments and intangible assets, calculation of deferred consideration and recognition of provisions and liabilities.

Independent auditor's report continued

- We considered the Group and Parent Company's control environment that has been established to prevent, detect and deter fraud in particular in relation to the appropriateness of revenue recognition and accrued income.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger and in the preparation of the consolidation and financial statements as well as testing journals which met pre-determined risk characteristics.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Justin Chait

Justin Chait (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

31 March 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial statements

Consolidated and parent company statement of comprehensive income

For the year ended 31 December 2022 // Company Number: 04092911

	Note	**Group Year Ended 31 December 2022 £000**	**Company Year Ended 31 December 2022 £000**	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
Revenue	5	**92,475**	**-**	92,262	-
Cost of sales	7	**(20,838)**	**-**	(25,622)	-
Gross profit		**71,637**	**-**	66,640	-
Other income	6	**2,039**	**18,260**	1	14,245
Administrative expenses	7	**(58,388)**	**(366)**	(57,004)	(271)
Operating profit		**15,288**	**17,894**	9,637	13,974
Finance income	8	**56**	**537**	-	674
Finance costs	8	**(133)**	**-**	(181)	(7)
Profit on ordinary activities before income tax		**15,211**	**18,431**	9,456	14,641
Income tax expenses on ordinary activities	9	**(2,746)**	**(3,018)**	(3,294)	(2,477)
Profit for the year and total comprehensive income for the year		**12,465**	**15,413**	6,162	12,164

The notes on pages 27 to 62 form an integral part of these financial statements.

The UK Group has no other comprehensive income other than that included in the results above.

All results are derived from continuing operations.

Consolidated and parent company statement of financial position

As at 31 December 2022 // Company Number: 04092911

	Note	**Group As at 31 December 2022 £000**	**Company As at 31 December 2022 £000**	Group As at 31 December 2021 £000	Company As at 31 December 2021 £000
Assets					
Non-current assets					
Property, plant and equipment	10	**2,211**	**-**	3,557	-
Intangible assets	11	**65,909**	**-**	66,575	-
Investments	12	**-**	**81,080**	-	81,010
Trade and other receivables	13	**150**	**-**	150	-
		68,270	**81,080**	70,282	81,010
Current assets					
Trade and other receivables	13	**33,786**	**7,824**	32,693	5,729
Cash and cash equivalents		**23,112**	**1,011**	23,201	69
		56,898	**8,835**	55,894	5,798
Total assets		**125,168**	**89,915**	126,176	86,808
Liabilities					
Current liabilities					
Trade and other payables	14	**35,064**	**394**	33,853	121
Provision	15	**3,352**	**-**	4,006	-
Current income tax liability	14	**452**	**478**	319	321
Deferred tax liabilities	16	**361**	**-**	361	-
		39,229	**872**	38,539	442
Non-current liabilites					
Trade and other payables	14	**359**	**2,218**	1,448	1,298
Deferred tax liabilities	16	**4,126**	**-**	4,583	-
		4,485	**2,218**	6,031	1,298
Total liabilities		**43,714**	**3,090**	44,570	1,740
Equity					
Ordinary shares	20	**53,447**	**53,447**	52,762	52,762
Preference shares	20	**-**	**-**	700	700
Share premium	20	**23,177**	**23,177**	23,162	23,162
Retained earnings		**197**	**10,201**	1,388	8,444
Share based payment reserve	22	**4,633**	**-**	3,594	-
Total equity		**81,454**	**86,825**	81,606	85,068
Total equity and liabilities		**125,168**	**89,915**	126,176	86,808

The notes on pages 27 to 62 form an integral part of these financial statements.

The financial statements on pages 22 to 62 were approved by the Board of Directors and were signed on its behalf by:

D R Walker, Director, 30 March 2023

Consolidated and parent company statement of changes in equity

For the year ended 31 December 2022 // Company Number: 04092911

2022	Note	Ordinary share capital £000	Share premium £000	Preference share capital £000	Retained earnings £000	Share based payment reserve £000	Total £000
Group							
Balance at 1 January 2022		**52,762**	**23,162**	**700**	**1,388**	**3,594**	**81,606**
Profit for the year		**-**	**-**	**-**	**12,465**	**-**	**12,465**
Share reclassification		**685**	**15**	**(700)**	**-**	**-**	**-**
Deferred consideration	22	**-**	**-**	**-**	**-**	**1,039**	**1,039**
Dividends paid on ordinary shares	21	**-**	**-**	**-**	**(13,623)**	**-**	**(13,623)**
Dividends paid on preference shares	21	**-**	**-**	**-**	**(33)**	**-**	**(33)**
Balance as at 31 December 2022		**53,447**	**23,177**	**-**	**197**	**4,633**	**81, 454**
Company							
Balance at 1 January 2022		**52,762**	**23,162**	**700**	**8,44**	**-**	**85,068**
Profit for the year		**-**	**-**	**-**	**15,413**	**-**	**15,413**
Share reclassification		**685**	**15**	**(700)**	**-**	**-**	**-**
Dividends paid on ordinary shares	21	**-**	**-**	**-**	**(13,623)**	**-**	**(13,623)**
Dividends paid on preference shares	21	**-**	**-**	**-**	**(33)**	**-**	**(33)**
Balance as at 31 December 2022		**53,447**	**23,177**	**-**	**10,201**	**-**	**86,825**

2021	Note	Ordinary share capital £000	Share premium £000	Preference share capital £000	Retained earnings £000	Share based payment reserve £000	Total £000
Group							
Balance at 1 January 2021		52,762	23,162	700	4,596	822	82,042
Profit for the year		-	-	-	6,162	-	6,162
Acquisition of retained earnings of subsidiaries		-	-	-	(779)	-	(779)
Deferred consideration	22	-	-	-	-	2,772	2,772
Dividends paid on ordinary shares	21	-	-	-	(8,535)	-	(8,535)
Dividends paid on preference shares	21	-	-	-	(56)	-	(56)
Balance as at 31 December 2021		52,762	23,162	700	1,388	3,594	81,606
Company							
Balance at 1 January 2021		52,762	23,162	700	4,510	-	81,134
Profit for the year		-	-	-	12,164	-	12,164
Acquisition of retained earnings of subsidiaries		-	-	-	361	-	361
Dividends paid on ordinary shares		-	-	-	(8,535)	-	(8,535)
Dividends paid on preference shares		-	-	-	(56)	-	(56)
Balance as at 31 December 2021		52,762	23,162	700	8,444	-	85,068

The notes on pages 27 to 62 form an integral part of these financial statements.

Consolidated and parent company statement of cash flows

For the year ended 31 December 2022 // Company Number: 04092911

	Note	**Group Year Ended 31 December 2022 £000**	**Company Year Ended 31 December 2022 £000**	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
Cash flows from operating activities					
Cash generated from / (used in) operations	25	**21,567**	**(705)**	17,749	(118)
Income tax paid		**(3,070)**	**(2,861)**	(2,725)	(2,481)
Net cash generated from / (used in) operating activities		**18,497**	**(3,566)**	15,024	(2,599)
Cash flows from investing activities					
Interest received	8	**13**	**1**	-	-
Purchases of property, plant and equipment	10	**(705)**	**-**	(486)	-
Purchases of intangible assets	11	**(2,326)**	**-**	(563)	-
Acquisitions of subsidiary undertaking	12	**-**	**(70)**	-	(386)
Profit share from investments		**-**	**17,697**	-	10,863
Dividends received		**-**	**536**	-	674
Net cash (used in) generated from investing activities		**(3,018)**	**18,164**	(1,049)	11,151
Cash flows from financing activities					
Interest paid	8	**-**	**-**	(8)	(7)
Dividends paid to preference shareholders	21	**(33)**	**(33)**	(56)	(56)
Office lease liabilities	19	**(1,912)**	**-**	(1,955)	-
Dividends paid to ordinary shareholders	21	**(13,623)**	**(13,623)**	(8,535)	(8,535)
Net cash (used in) financing activities		**(15,568)**	**(13,656)**	(10,554)	(8,598)
Net increase / (decrease) in cash and cash equivalents		**(89)**	**942**	3,421	(46)
Cash and cash equivalents at beginning of year		**23,201**	**69**	19,780	115
Cash and cash equivalents at end of year		**23,112**	**1,011**	23,201	69

The notes on pages 27 to 62 form an integral part of these financial statements.

Notes to the financial statements

Notes to the financial statements continued

1. General information

The Company is a limited company, incorporated and domiciled in the UK. The address of its registered office is 55 Bishopsgate, London EC2N 3AS. The Company's ultimate parent company and ultimate controlling party is Caledonia Investments plc, which is incorporated in the UK.

The Company is the Corporate Member of Seven Investment Management LLP and Partners Wealth Management LLP. The Company acquired Partners Wealth Management LLP on 30 September 2020, and purchased the entire shareholding of Find A Wealth Manager Limited on 16 October 2020, and 7IM Investment and Retirement Solutions Limited on 19 October 2020.

The UK Group consists of 7IM Holdings Limited together with underlying subsidiaries, namely Seven Investment Management LLP, 7IM Investment and Retirement Solutions Limited, 7IM Trustees Limited, Partners Wealth Management LLP and Find A Wealth Manager Limited, collectively known as the UK Group. Consolidated financial statements are prepared by the Company as it is the parent of the UK Group.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. In setting these policies, we have looked ahead to the foreseeable future and have considered their impact for at least the next twelve months.

a. Basis of preparation

The consolidated financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with UK-adopted international financial reporting standards. The financial statements have also been prepared in accordance with the requirements of the Companies Act 2006 and applicable law. The Company has sufficient capital resources to meet operational cash requirements in both the short and long term.

The financial statements are presented in GBP, which is the UK Group and Company's functional and presentational currency. All financial information presented has been rounded to the nearest thousand GBP, unless otherwise indicated.

b. Consolidation

Subsidiaries

Subsidiaries are all entities over which the UK Group has control. The UK Group controls an entity when the UK Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the UK Group.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the UK Group.

The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill.

Acquisition related costs are expensed as incurred.

Intercompany transactions and balances between UK Group companies are eliminated on consolidation.

c. Revenue recognition

The UK Group earns revenue from contracts with its customers. Under a majority of these contracts the UK Group has concluded that the investor/client is the customer. Depending on the nature of the contract and the services required by the customer, the UK Group may have one, or a number of performance obligations, within each contract. Revenue is recognised in accordance with IFRS 15 as the relevant performance obligations are satisfied.

A majority of the UK Group's revenue arises through the provision of its core ongoing services to its customers: the management of Funds and Model Portfolios, provision of Discretionary Investment Management services, and operation of an Investment Platform & operation of a SIPP. Generally these services are satisfied over time once one of the following occurs:

Notes to the financial statements continued

i) the customer consumes the benefits provided by the UK Group and another entity would not need to substantially re-perform the work that the UK Group has completed to date; or

ii) the UK Group has an enforceable right to payment for performance completed to date.

Due to the nature of the UK Group's contracts with customers there are no significant judgements made in applying the standard to those contracts. As a result no assets are required to be recognised from the costs to obtain or fulfil those contracts with the UK Group's customers.

The UK Group has assessed its contracts with respect to its sub-advisory agreements and has determined it remains the principle in most instances, with revenue relating to these contracts recognised gross in accordance with UK Group accounting policies stated above. Revenue is mainly a percentage of AUM and accrued monthly based on average AUM.

In respect of one revenue stream, the UK Group acts as an agent, in which case the revenue relating to this contract is recognised on a net basis.

Where performance obligations have occurred but payment from customers has not been received, these balances are recognised as receivable as the UK Group's right to consideration is unconditional except for the passage of time. These receivables are accounted for in accordance with IFRS 9, with any difference between initial recognition of a receivable and the corresponding revenue recognised as an expense.

Most performance obligations are met daily with revenue accrued monthly and paid monthly in arrears.

d. Cost of sales

Cost of sales relates to costs directly attributable to the supply of the service provided by the Company and is recognised in the statement of comprehensive income on an accruals basis.

e. Other income

Other income is disclosed and separately described in the financial statements where it is necessary to do so to provide further understanding of the underlying financial performance of the LLP. These include material items of income or expense that are shown separately due to their significance or amount.

f. Administrative expenses

Administration expenses relates to overhead costs and are accounted for on an accruals basis.

g. Interest income and expense

Finance income is recognised as interest accrued on funds invested outside of the Group.

Finance costs are recognised on an accruals basis and include interest charged on the Group's lease liabilities, in accordance with IFRS 16.

h. Investments

The Company holds investments in Seven Investment Management LLP, 7IM Investment and Retirement Solutions Limited, Partners Wealth Management LLP and Find A Wealth Manager Limited. These investments are held at cost less any accumulated impairment losses.

Investments are assessed annually at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Any realised gain or loss on investment disposals will be included in the statement of comprehensive income.

Notes to the financial statements continued

i. Leases

At inception of a contract, the UK Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the UK Group uses the definition of a lease in IFRS 16.

The UK Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the UK Group by the end of the lease term or the cost of the right-of-use asset reflects that the UK Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the UK Group's incremental borrowing rate. The UK Group uses its incremental borrowing rate of 4.89% as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the UK Group's estimate of the amount expected to be payable under a residual value guarantee, if the UK Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The UK Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'trade and other payables' in the statement of financial position.

Short-term leases and leases of low-value assets

The UK Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The UK Group recognises the lease payments associated with these operating leases as an expense on a straight-line basis over the term of the lease.

j. Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. The UK Group establishes provisions on the basis of amounts expected to be paid to the tax authority.

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.

Notes to the financial statements continued

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 income statement, 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.

Seven Investment Management LLP and Partners Wealth Management LLP are not required to pay corporation tax.

The taxation payable on the profits of the subsidiary, Seven Investment Management LLP, is the personal liability of each of the Members. In respect of each individual Member, up until July 2021, Seven Investment Management LLP retained out of the Member's drawings and distributions an amount equal to the estimated income tax and/or national insurance contributions (or other taxes) which that Member was due to pay in respect of that Member's profit share and released that amount to the Member no later than 14 days before the tax on such profit share was due to be paid or was due to be paid on account to HMRC, so that Seven Investment Management LLP (and its Members) had comfort that none of its Members would be left without the funds to discharge their individual tax liabilities.
Since August 2021 Members of Seven Investment Management LLP have been paid their full amount of fixed profit share, with no retentions made.

The taxation payable on the profits of the subsidiary, Partners Wealth Management LLP, is the personal liability of each of the Members.

All profits belonging to the Corporate Member, namely the Company, will be included within that Member's own financial statements and be taxed according to corporation taxation legislation. The profits belonging to the Corporate Member have been eliminated as part of the consolidation; however, the corporation taxation on these profits are consolidated within the results of the UK Group.

k. Financial instruments

IFRS 9 – 'Financial instruments' simplifies the classification of financial assets and liabilities.

Recognition and de-recognition of financial instruments

Financial instruments are recognised on the statement of financial position when, and only when, the UK Group becomes a party to the contractual provisions of the particular instrument. Financial assets are de-recognised when, and only when, the UK Group transfers substantially all risks and rewards of ownership. Financial liabilities are de-recognised when, and only when, the obligations under the contract are discharged, cancelled or expire. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the UK Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables comprise trade and other receivables and cash and cash equivalents and are stated at amortised cost using the effective interest rate method, less any impairment losses. Receivables with a short duration are not discounted. IFRS 9 includes an impairment model, expected credit loss ('ECL'), based on forward looking expected losses. The UK Group has assessed its trade receivables and has replaced its policy of recognising a bad debt provision through the implementation of an ECL model.

Financial liabilities

Financial liabilities comprise trade and other payables, income tax liability and loans and other debts due to Members. All financial liabilities are measured at amortised cost using the effective interest rate method.

Notes to the financial statements continued

l. Financial liabilities

The UK Group classifies its financial derivative at fair value through statement of comprehensive income. Derivatives are initially recognised at fair value on the date the contract is entered into and are re-measured at fair value until settlement values have been determined, and then at amortised cost. Liabilities in this category are classified as current liabilities if expected to settle within 12 months, otherwise they are classified as non-current liabilities.

m. Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the UK Group's financial statements in the period in which the dividends are approved by the Company's Directors.

n. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits and 45 notice accounts.

o. Trade and other receivables

Trade and other receivables comprise settlement debtors, other receivables, prepayments and accrued income. Balances are accrued on the basis of invoices or amounts expected to be received after the year end. If collection is expected in one year or less they are classified as current assets.

As required by IFRS 9, which came into force on the 1 January 2018, the UK Group has adopted a simplified Expected Credit Loss ('ECL') model for its trade receivables. A simplified provision matrix is applied to the UK Group's trade receivables at the statement of financial position date based on historic default rates and adjusted for forward looking estimates. The resulting impairments, and subsequent adjustments are presented as a separate line in the statement of comprehensive income.

Seven Investment Management LLP has recognised an asset in relation to an amount which is due to be received from its insurer. The asset is linked to a liability of which there is uncertainty over the timing and the amount which is due to be paid.

As a result, under IAS 37 Seven Investment Management LLP has discounted the value of the asset to reflect this uncertainty over the amount which would be received. The discount was calculated using a financial model which takes into account external benchmarking factors alongside the knowledge Seven Investment Management LLP has over the value of both the asset and the liability.

p. Employee benefits

i) Pension obligations

The UK Group's subsidiaries offer employees contributions to various pension schemes.

Seven Investment Management LLP offers its employees contributions to either a defined contribution pension scheme ('GPP') or to a Self Invested Personal Pension ('SIPP') as explained further in note 18. The pension cost disclosed in note 7 represents contributions payable by Seven Investment Management LLP to the GPP or to an employee's SIPP. The expenditure is charged to the statement of comprehensive income in the year to which it relates.

Partners Wealth Management LLP offers its employees contributions to a GPP as explained further in note 18. The pension cost disclosed in note 7 represents contributions payable by Partners Wealth Management LLP to the GPP. The expenditure is charged to the statement of comprehensive income in the year to which it relates.

ii) Profit sharing and bonus plans

The UK Group recognises a liability and an expense for bonus and profit sharing in its subsidiaries, Seven Investment Management LLP and Partners Wealth Management LLP. Both Seven Investment Management LLP and Partners Wealth Management LLP recognise a provision where contractually obliged or where there is a past event that has created a constructive obligation.

iii) Holiday pay

An accrual is recorded for untaken holiday at the end of the calendar year based on the employee's salary or member's fixed profit share.

Notes to the financial statements continued

q. Property, plant and equipment

Property, plant and equipment are recognised at historic purchase cost less accumulated depreciation, where cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. They are depreciated at rates estimated to write off the relevant assets over their useful economic lives on a straight line basis:

- IT equipment – 3 years
- Furniture – 5 years
- Machinery and equipment – 5 years
- Leasehold improvements – various terms, between 20 months and 5 years

Any assets costing less than £1,000 are expensed when purchased.

Depreciation is charged on the basis of a full month from the first month of ownership.

All useful economic lives are over the same term as the prior period.

r. Intangible assets

i) Goodwill

Goodwill arises in business combinations and represents the excess of the consideration paid over the fair value of the identifiable net assets acquired. Goodwill is recognised at cost and not amortised. Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense.

ii) Intellectual Property Rights

The Intellectual Property Rights are recognised in accordance with IAS38 and are amortised using the straight line method over a period of ten years, to reflect the expected period of return on this asset. A full month's amortisation is charged in the first month of ownership.

iii) Development costs

Development costs are recognised in accordance with IAS38 and capitalised as incurred.

Development costs in respect of Seven Investment Management LLP's platform development project are amortised when the final phase of the asset goes live. Development phases have useful economic lives ('UEL') of three years to reflect the expected period of return on this asset. Amortisation is on a straight line basis, over a period of three years. A full month's worth of amortisation is charged in the first month of use.

Development costs in respect of Seven Investment Management LLP's capitalised website costs are amortised on a straight line basis over their UEL of three years. A full month's worth of amortisation is charged in the first month of use.

Internally-generated intangible assets

An internally-generated asset arising from work performed by the Group is recognised only when the following criteria can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the asset first meets the recognition criteria listed above. Development expenditure that does not meet the criteria is recognised as an expense in the period in which it is incurred.

Notes to the financial statements continued

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Assets under construction are not amortised until the asset is operational and available for use.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

iv) Customer relationships

Customer relationships acquired in the acquisition of businesses are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over fourteen years.

v) Brand

Brands acquired in a business combination are recognised at fair value at the acquisition date. Brands have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over a period of three to ten years.

The gross carrying amounts of the LLP's intangible assets can be found in note 11.

s. Trade and other payables

Trade and other payables comprise settlement creditors, trade payables, other payables and accrued expenses. Balances are accrued on the basis of invoices expected to be received after the year end. If payment is expected in one year or less they are classified as current liabilities.

t. Share capital

Ordinary shares are classified as equity. Share capital represents the nominal vale of shares issued. Full detail of the Company's share capital can be seen in note 20.

u. Preference shares

Preference shares comprise of shares held by the ultimate parent company which carry preference rights and carry fixed dividend rights.

v. Share premium

Share premium comprises of when shares are issued for an amount which exceeds the nominal value, the excess is recorded in the share premium account.

w. Retained earnings

This reserve is distributable and records all income, expenses, gains and losses recognised in the statement of comprehensive income for the current and prior years and is net of dividends paid to shareholders.

x. Share based payment reserve

The share based payment reserve relates to deferred consideration following the acquisition of the Partners Wealth Management LLP. It is treated as employee remuneration under IFRS 2 and IAS 19, opposed to acquisition consideration, in accordance with the requirements of IFRS 3 based on the terms of agreement.

y. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as borrowing costs in the statement of comprehensive income over the period of the borrowings.

z. Dividend income

Dividend income is recognised when the right to receive payment is established.

aa. Foreign currencies

Income and expense transactions denominated in foreign currencies are translated at historical rates prevailing at the transaction date during the financial year. Monetary assets and liabilities held at the statement of financial position date

Notes to the financial statements continued

and denominated in foreign currencies are re-translated at the rates of exchange ruling at the statement of financial position date, and exchange differences are included in the statement of comprehensive income.

ab. Structure entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The UK Group considers the investment management arrangement for all UK investment funds ('Investment Funds') under its management to be interests in unconsolidated structured entities. In accordance with the terms and conditions of the respective Investment Funds' investment management agreements and offering documentation, the UK Group executes day-to-day management and investment activities of the Investment Funds. The UK Group is remunerated by the respective Investment Funds for their services. Such compensation consists of an asset based fee and is reflected in the valuation of the Investment Funds.

ac. Deferred consideration

Deferred consideration relating to the acquisition of Partners Wealth Management LLP is recognised by entities within the UK Group, and by the Jersey entities.

The obligation to pay any deferred consideration has been novated to Caledonia Thames Acquisitions (Jersey) Limited, which means that the Company does not need to account for any financial liability or obligation.

Equity settled awards under IFRS 2

Equity settled awards are recognised at fair value at the grant date with an expense recognised in the statement of comprehensive income spread evenly over the vesting period. Within the UK Group charges are made to Partners Wealth Management LLP's statement of comprehensive income with the corresponding amount recognised in a share based payment reserve.

Due to the novation up to Caledonia Thames Acquisitions (Jersey) Limited, there is nothing recognised by the Company, whilst Caledonia Thames Acquisitions (Jersey) Limited, Caledonia Thames Group (Jersey) Limited, and Caledonia Thames Holdings (Jersey) Limited all recognise this equity settled award, by increasing the investment in its respective subsidiary, and creating a corresponding share based payment reserve.

Cash settled awards under IAS 19

Under IAS 19, long-term employee benefits (i.e. benefits that generally vest over 12 months) are accounted for in the same way as defined benefit pension benefits (i.e. using the unit credit method).

Outside the UK Group, charges are made to Caledonia Thames Acquisitions (Jersey) Limited's statement of comprehensive income with the corresponding amount recognised as a financial liability.

Compound awards under IFRS 2

As the form of settlement of the award is at the discretion of the scheme participant (rather than the Group) the Group has an unavoidable obligation to pay cash and would recognise this in the same way as the cash settled award. The residual equity component of the award would need to be recognised at fair value at the grant date. The cash settled element of a compound award under IFRS 2 is recognised at fair value, with any movements in fair value recognised at each statement of financial position date (this differs to the treatment for equity settled awards).

Notes to the financial statements continued

Within the UK Group charges are made to Partners Wealth Management LLP's statement of comprehensive income with the corresponding amount posted to a share based payment reserve.

Due to the novation up to Caledonia Thames Acquisitions (Jersey) Limited, there is nothing recognised by the Company, whilst Caledonia Thames Acquisitions (Jersey) Limited recognises this compound award, by increasing the investment in its subsidiary, with a corresponding amount reflected in its share based payment reserve.

ad. New and amended standards and interpretations applied

There were no new standards or interpretations for the first time for periods beginning on or after 1 January 2022 that had a significant effect on the Group's financial statements. Furthermore, none of the amendments to the standards that are effective from that date had a significant effect on the financial statements.

ae. New and amended standards and interpretations not applied

Other accounting standards and interpretations have been published and will be mandatory for the Group's accounting periods beginning on or after 1 January 2023 or later periods. The Group is assessing the impact of these standards and does not expect material differences to the reported results and financial position of the Group.

New accounting standards, amendments and interpretations not yet effective, and which have not been early adopted.

Other standards and amendments that are effective for subsequent reporting periods beginning on or after 1 January 2022 and have not been early adopted by the Company include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (effective 1 January 2023).
- Amendments to IFRS 17 Insurance contracts (effective 1 January 2023).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023).
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from Single Transaction (effective 1 January 2023).

Upon preliminary assessment, these standards and amendments are not expected to have a significant impact on the Financial Statements in the period of initial application and therefore detailed disclosures have not been provided.

3. Financial risk management

Financial risk factors

The UK Group and Company's operations expose it to a variety of financial risks that include market risk, credit risk, liquidity risk, operational risk and regulatory risk. The UK Group has in place a risk management programme that seeks to limit any adverse effects of these risks by developing appropriate policies and taking mitigating actions.

The Company's income is derived from its investments in Seven Investment Management LLP, Partners Wealth Management LLP, Find A Wealth Manager Limited and 7IM Investment and Retirement Solutions Limited. As such, financial risk management is based upon the subsidiaries' operations, which expose it to certain financial risk.

The UK Group has an Audit, Risk and Compliance Committee ('ARCC'). The Board has delegated the responsibility of monitoring financial risk management to the ARCC. Seven Investment Management LLP also has an Executive Risk Management Committee. The responsibilities of the ARCC include oversight of internal audit, finance, compliance, external audit, control processes and systems. The ARCC has three members, all of which are non-executive directors, including the Chairman of Seven Investment Management LLP.

Seven Investment Management LLP utilises an external firm to provide internal audit services to the UK Group.

Notes to the financial statements continued

i) Market risk

The Company itself is not very exposed to market risk or currency risk. However, the main business carried on by both Seven Investment Management LLP and Partners Wealth Management LLP relies on revenues based on assets under management. The most significant risk facing the Company is a reduction in its subsidiaries' market value of assets under management. These positions are monitored at Seven Investment Management LLP level on a daily basis against specific limit and any breaches are reported to the relevant risk committee.

The sensitivity of profit or loss in the Company to changes in the market value of Seven Investment Management LLP and Partners Wealth Management's assets under management, which would result in reduced profit share from both subsidiaries, is shown in the following table:

	Year Ended 31 December 2022 £000	Year Ended 31 December 2021 £000
Impact on profit		
Market values increase by 10%	**2,771**	2,576
Market values decrease by 10%	**(2,771)**	(2,576)

The Company itself has no exposure to interest rate risk or foreign exchange risk. The Group is exposed to interest rate risk as Seven Investment Management LLP receives interest margin revenue from cash held by the custodian. The interest rate is based on the prevailing Bank of England base rates. The sensitivity of profit or loss to changes in the Bank of England base rates, capped at 50bps, is shown in the following table:

	Year Ended 31 December 2022 £000	Year Ended 31 December 2021 £000
Impact on profit		
Base rates increase by 10bps	**397**	407
Base rates decrease by 10bps	**(397)**	(407)

This assumes that all other variables remain constant and is maintained for a full 12 months. The analysis is performed on the same basis for the prior year.

ii) Credit risk

This is the risk of losses due to failure on the part of the Company's debtors to meet their payment obligations. Since the bulk of the Company's debtors are intra-group, this risk is low but it is affected by the credit risk of other group entities. Therefore, this risk substantially lies in the underlying company investments.

At Seven Investment Management LLP level, this risk is mitigated by taking client fees directly from portfolios and by assessing the custodians and administrators of Seven Investment Management LLP's funds before entering into agreements. Since 2018 credit risk relating to client fees in Seven Investment Management LLP has been mitigated further, with the introduction of an auto-disinvestment process to collect outstanding client fees. This has reduced the value and time client fees are recognised as a receivable on the statement of financial position of Seven Investment Management LLP.

At Partners Wealth Management LLP and Find A Wealth Manager Limited level, this is the risk of losses due to failure on the part of their debtors to meet their payment obligations.

Notes to the financial statements continued

2022	**Not past due**	**0-3 months past due**	**3-6 months past due**	**6-12 months past due**	**Greater than 12 months past due**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Group						
Settlement debtors, other receivables and accrued income*	**31,210**	**153**	**85**	**58**	**62**	**31,568**

A provision for impairment of £14,000 has been recognised at 31 December 2022 (2021: £29,000).

Company						
Receivables from related parties and other receivables	**7,810**	**-**	**-**	**-**	**-**	**7,810**

*Prepayments have not been included in the figures above, as there is no credit risk.

2021	Not past due	0-3 months past due	3-6 months past due	6-12 months past due	Greater than 12 months past due	Total
	£000	£000	£000	£000	£000	£000
Group						
Settlement debtors, other receivables and accrued income*	30,141	147	33	24	41	30,386
Company						
Receivables from related parties and other receivables	5,635	-	-	-	-	5,635

*Prepayments have not been included in the figures above, as there is no credit risk.

iii) Liquidity risk

This is the risk that the UK Group will be unable to meet any payment obligations. As the UK Group has few payment obligations, it is exposed to minimal risk. In response to this risk, the cash flow position is monitored on a regular basis.

The table below summarises the maturity profile of the UK Group's financial liabilities at 31 December 2022 and 31 December 2021 based on contractual undiscounted payments.

2022	**Group**				**Company**			
	Within 1 year or repayable on demand	**1-5 years**	**> 5 years**	**Total**	**Within 1 year or repayable on demand**	**1-5 years**	**> 5 years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Trade and other payables	**35,516**	**359**	**-**	**35,875**	**872**	**2,218**	**-**	**3,090**

Trade and other payables include Settlement Creditors of £15,263,000 which are mitigated by Settlement Debtors of £15,275,000.

Notes to the financial statements continued

	Group				Company			
2021	Within 1 year or repayable on demand	1-5 years	> 5 years	Total	Within 1 year or repayable on demand	1-5 years	> 5 years	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Trade and other payables	34,324	1,448	-	35,772	1,740	-	-	1,740

Trade and other payables include Settlement Creditors of £13,792,000 which are mitigated by Settlement Debtors of £13,790,000.

The table below summarises the UK Group's Cash and cash equivalent balance:

	Group 2022	**Company 2022**	Group 2021	Company 2021
	£000	**£000**	£000	£000
Cash at bank, demand deposits	**12,888**	**1,011**	23,201	69
Notice deposit accounts	**10,224**	**-**	-	-
	23,112	**1,011**	23,201	69

Notice accounts comprise cash held externally to the UK Group which is available upon 45 days notice.

iv) Operational risk

This is the risk of loss as a result of inadequate or failed processes or systems, human errors or external events. Therefore, this risk substantially lies in the underlying investments, namely Seven Investment Management LLP, Partners Wealth Management LLP, 7IM Investment and Retirement Solutions Limited and Find A Wealth Manager Limited. To monitor and control operational risk, the UK Group maintains a comprehensive system of policies and procedures, and a control framework designed to provide a well controlled operational environment, and to monitor and record any control failures.

Control functions such as finance, legal and risk & compliance are centralised across the UK Group in order to provide standard framework for the underlying subsidiaries to operate within.

v) Regulatory risk

This is the risk of changes in the regulatory environment having an adverse impact on the business of the Company. The UK Group contains three regulated entities, Seven Investment Management LLP, 7IM Investment and Retirement Solutions Limited and Partners Wealth Management LLP. Consequently the UK Group monitors regulatory changes and makes changes to the business model as appropriate.

Notes to the financial statements continued

Investment Funds under management

Seven Investment Management LLP's investment management arrangements with the Investment Funds outlined below, are subject to the terms and conditions of the respective Investment Funds' investment management agreements and offering documentation and are susceptible to market price risk arising from uncertainties about future values of those Investment Funds. As the investment manager, Seven Investment Management LLP makes investment decisions after extensive due diligence of the investment portfolio, in accordance with the investment objectives and investment strategies of the respective Investment Funds. Seven Investment Management LLP is remunerated by the respective Investment Funds for its services. Such compensation consists of an asset-based fee and is reflected in the valuation of the Investment Funds.

Seven Investment Management LLP acts as the Authorised Corporate Director ('ACD') of the 7IM Investment Funds, 7IM Specialist Investment Funds, 7IM Opportunity Funds and 7IM Funds ICVC. The UK Group has no guarantees or commitments to provide financial support for the structured entities.

The Company and underlying subsidiaries do not hold any investments in the structured entities and they are not included in the consolidated financial statements.

At 31 December 2022 Seven Investment Management LLP's Investment Funds under its management are disclosed in the following table:

	Investment Funds 2022 Number	**Net asset value of Investment Funds 2022 £000**	**Investment Management Fees 2022 £000**	**Investment Management Fees Debtor 2022 £000**	Investment Funds 2021 Number	Net asset value of Investment Funds 2021 £000	Investment Management Fees 2021 £000	Investment Management Fees Debtor 2021 £000
7IM Investment Funds	**11**	**3,664,747**	**23,596**	**2,027**	11	4,359,860	29,650	2,461
7IM Specialist Funds	**1**	**123,943**	**512**	**36**	1	164,856	735	59
7IM Opportunity Funds	**9**	**629,620**	**3,540**	**331**	9	641,338	3,567	335
7IM Funds ICVC	**7**	**42,916**	**294**	**28**	7	64,929	575	29
Total	**28**	**4,461,226**	**27,942**	**2,422**	28	5,230,983	34,527	2,884

Capital management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and support the three FCA regulated entities, Seven Investment Management LLP, Partners Wealth Management LLP and 7IM Investment and Retirement Solutions Limited. The capital held in the Company relates primarily to ordinary share capital. In practical terms these objectives are met through the appropriate capital management of these three entities. Consolidated regulatory returns are also submitted to the FCA for the consolidated UK reporting group, which is the same as the UK Group.

The adequacy of the UK Group's capital requirement was formally assessed by the respective Boards of the regulated entities and through the Internal Capital Adequacy and Risk Assessment ('ICARA') process. Oversight of risk management is undertaken on a day to day basis by the Chief Risk Officer and the Finance team.

The Company does not have its own regulatory capital requirement as it is not an FCA regulated entity. The Company forms part of a regulatory group with its FCA regulated subsidiaries. As at 31 December 2022 this group of regulated entities reported group capital resources after deductions of £24.4m against a capital resource requirement of £13.5m. The regulated group has met its capital requirements at all times throughout the period.

Notes to the financial statements continued

Fair value estimation

The Company has no financial liabilities carried at fair value (2021: £nil).

Offsetting financial assets and financial liabilities

The Company has no offsetting financial assets or liabilities (2021: £nil).

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to make assumptions and select appropriate valuation methods.

4. Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future which seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Goodwill, customer relationships and brand intangible assets

Accounting for business combinations involves the use of valuation techniques to assign a value to intangible assets such as customer relationships and brand at the date of acquisition, along with estimates of the useful life over which these intangibles will be amortised. Goodwill is then the difference between total assets acquired and the total consideration paid (note 11).

ii) Estimated value of goodwill

The UK Group tests annually whether the goodwill has suffered any impairment in accordance with the accounting policy stated in note 2r. The recoverable amounts have been determined based on value-in-use calculations. These calculations require the use of estimates (note 11).

iii) Estimated value of customer relationships

The UK Group performs tests whether the customer relationships intangible asset has suffered any impairment in accordance with the accounting policy stated in note 2r. The recoverable amounts have been determined based on value-in-use calculations. These calculations require the use of estimates (note 11).

iv) Deferred Consideration

The Group has entered into certain acquisition agreements that provide for a deferred consideration to be paid. The Group recognised all amounts management anticipates will be paid in full under the relevant acquisition agreement taking into account the contractual performance targets. This requires management to make an estimate of the expected future cash flows from the acquired client portfolio for the calculation of the present value of those cash flows. The assumptions factor in revenue targets and share valuation targets for the Group will be met and the conditions in which deferred consideration is elected to be treated.

Notes to the financial statements continued

v) Estimated value of internally generated intangible assets

The group tests annually whether the internally generated intangible assets recognised have suffered any impairment in accordance with the accounting policy stated in note 2r. The recoverable amounts are determined based on value-in-use calculations. These calculations require the use of estimates (note 11).

vi) Expected credit loss

The Group has assessed its trade receivables and replaced its policy of recognising a bad debt provision and implemented an ECL model. Further information on the ECL model can be found in note 2o.

5. Revenue

The UK Group operates a number of operating segments, which correspond to the operating entities that are included within the UK Group. These are Seven Investment Management LLP, 7IM Investment and Retirement Solutions Limited, Partners Wealth Management LLP and Find A Wealth Manager Limited. All activities are undertaken in the United Kingdom and Jersey.

Revenue	**Group Year Ended 31 December 2022 £000**	**Company Year Ended 31 December 2022 £000**	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
By business segment				
Seven Investment Management LLP	**70,008**	**-**	70,978	-
7IM Investment and Retirement Solutions Limited	**165**	**-**	272	-
Partners Wealth Management LLP	**21,242**	**-**	20,030	-
Find a Wealth Manager Limited	**1,060**	**-**	982	-
	92,475	**-**	92,262	-
By geographical market				
United Kingdom	**92,355**	**-**	92,096	-
Jersey	**120**	**-**	166	-
	92,475	**-**	92,262	-
By service line				
Private Client	**37,764**	**-**	37,970	-
Discretionary	**11,764**	**-**	12,614	-
Platform	**26,534**	**-**	23,238	-
Funds & Models	**16,413**	**-**	18,440	-
	92,475	**-**	92,262	-

Notes to the financial statements continued

6. Other income

	Group Year Ended 31 December 2022 £000	Company Year Ended 31 December 2022 £000	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
Investment income from Seven Investment Management LLP	**-**	**13,343**	-	8,632
Investment income from Partners Wealth Management LLP	**-**	**4,917**	-	5,612
Income on exit from lease	**1,030**	**-**	-	-
VAT refund	**920**	**-**	-	-
Jersey Branch	**89**	**-**	-	-
Other	**-**	**-**	1	1
	2,039	**18,260**	1	14,245

Other income comprises profits allocated from the investments in Seven Investment Management LLP and Partners Wealth Management LLP. Allocated profits are recognised once the Boards of both entities agree upon the distribution of profits.

Included within other income is compensation of £1,030,000 due to be received upon exit of the head office premises in 2023 as part of the lease contract with the landlord. The compensation is due as a result of the landlord declining the request for Seven Investment Management LLP to remain in the property beyond the end of the lease. This decision is irrevocable and compensation is certain.

During the year the 7IM Holdings Ltd received £920,000 from HMRC on behalf of Seven Investment Management LLP relating to a VAT reclaim. This reclaim was in respect to VAT that had been paid on supplies which have subsequently been determined to be exempt.

Seven Investment Management LLP had a branch in Jersey which closed during the year, the address of the office was 19 Royal Square, St. Helier, Jersey JE2 4WA. Jersey branch includes £89,000 relating to the sale of the Jersey branch and related business during 2022.

Notes to the financial statements continued

7. Cost of sales and Administrative expenses

Cost of sales comprises direct costs charged to the Group by outsourced service providers, and revenue shares between Partners Wealth Management LLP and its members and advisers. The majority of the outsourced service provider costs, included in cost of sales, relate to custodian charges for client assets and fund administrative charges for the 7IM Investment Funds. It excludes indirect expenses which are recorded as administrative expenses.

Administrative expenses	Group Year Ended 31 December 2022 £000	Company Year Ended 31 December 2022 £000	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
Expenses by nature				
Staff costs	**24,336**	**-**	22,624	-
Members' remuneration	**12,818**	**-**	12,339	-
Professional fees	**2,112**	**228**	1,455	157
Operating lease payments	**(2)**	**-**	198	-
Depreciation	**2,051**	**-**	1,664	-
Amortisation and impairment	**2,992**	**-**	2,957	-
Office costs	**2,101**	**-**	2,164	-
IT costs	**4,184**	**-**	3,492	-
Marketing	**1,877**	**-**	1,668	-
Regulatory fees	**1,518**	**-**	1,646	-
Irrecoverable VAT	**1,451**	**11**	1,317	14
Deferred consideration	**1,039**	**-**	2,772	-
Other*	**1,911**	**127**	2,708	100
	58,388	**366**	57,004	271

* Other includes general administrative costs (e.g insurance, bank charges, donations, staff travel and incidental expenses, benefits and training, recruitment fees etc).

Auditor remuneration	Group Year Ended 31 December 2022 £000	Company Year Ended 31 December 2022 £000	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
During the year the Company obtained the following services from the Company's auditor and its associates:				
Fees payable to Company's auditor for the audit of the Company and consolidated financial statements	**29**	**29**	21	21
Fees payable to Company's auditor for other services:				
– the audit of other group entities	**314**	**-**	109	-
– other audit related assurance services	**65**	**-**	47	-
– fund audits	**4**	**-**	23	-
	412	**29**	199	21

The 2021 audit fee excludes £70,000 that was charged in relation to the 2021 audit which was charged after the 2021 financial statements were signed off. There were no non-audit services provided during the year.

Notes to the financial statements continued

Staff costs (excluding Members)	Group Year Ended 31 December 2022	Company Year Ended 31 December 2022	Group Year Ended 31 December 2021	Company Year Ended 31 December 2021
	£000	**£000**	£000	£000
Wages and salaries	**20,304**	**-**	18,842	-
Social security costs	**2,292**	**-**	2,093	-
Pension costs	**1,740**	**-**	1,689	-
	24,336	**-**	22,624	-

The average monthly number of staff in the UK Group (employees and Members) during the year was 457 (2021: 446). The Company has no employees or members.

The UK Group employees are all employed by Seven Investment Management LLP or Partners Wealth Management LLP and the members are all members of Seven Investment Management LLP or Partners Wealth Management LLP.

Key management compensation

i) Remuneration of Members of Seven Investment Management LLP

The nine key management of Seven Investment Management LLP are all members and their remuneration is disclosed below. Members of Seven Investment Management LLP are allocated profits in accordance with the profit sharing arrangements for Seven Investment Management LLP.

Individual Members are entitled to a fixed monthly drawing. If Seven Investment Management LLP has income profits of less than the Members' fixed amounts, the Members shall nevertheless still be entitled to draw their fixed amounts as drawings for that financial period. Individual members may be entitled to a variable profit share based on their contribution to the business. This amount would be determined by the Executive Committee and approved by the Remuneration Committee.

The average monthly number of Members during the year was 72 (2021: 65), which included one Corporate Member.

Remuneration of Members of Partners Wealth Management LLP

Two of the key management of the UK Group are members of Partners Wealth Management LLP and their remuneration is disclosed below. Members of Partners Wealth Management LLP are allocated profits in accordance with the profit sharing arrangements for Partners Wealth Management LLP.

Individual Members are either entitled to a fixed monthly drawing or a revenue share. For those receiving fixed amounts if Partners Wealth Management LLP has income profits of less than the Members' fixed amounts, the Members shall nevertheless still be entitled to draw their fixed amounts as drawings for that financial period. Individual Members may be entitled to a variable profit share based on their contribution to the business. This amount would be determined by the Executive Committee and approved by the Remuneration Committee. For those receiving a revenue share this is calculated as a percentage of revenue received in the month and paid monthly in arrears. A six monthly revenue uplift is also calculated on revenue over a threshold and paid six monthly.

The average monthly number of Members during the year was 32 (2021: 27), which included one Corporate Member.

Notes to the financial statements continued

ii) Key management compensation

The UK Group's key management comprises nine key management personnel who are members of Seven Investment Management LLP and two key management personnel who are members of Partners Wealth Management LLP. There are no contributions to pension schemes in respect of key management. During the year ended 31 December 2022 the highest paid member of key management received emoluments of £672,000 (2021: £686,000). Key management compensation comprised the following:

	Year Ended 31 December 2022	Year Ended 31 December 2021
	£000	£000
Short term employee benefits	**4,457**	4,320
Other long-term benefits	**1,039**	2,772
	5,496	7,092

Other long-term benefits relate to deferred consideration (see note 22).

iii) Directors remuneration

The Directors remuneration relates to services provided to the UK Group. During the year ended 31 December 2022 the highest paid Director received remuneration of £672,000 (2021: £686,000). Directors remuneration comprised the following:

	Year Ended 31 December 2022	Year Ended 31 December 2021
	£000	£000
Short term employee benefits	**1,191**	1,204
	1,191	1,204

The Directors do not receive any emoluments in respect of their services as Directors to the Company.

8. Finance income and costs

	Group Year Ended 31 December 2022	**Company Year Ended 31 December 2022**	Group Year Ended 31 December 2021	Company Year Ended 31 December 2021
	£000	**£000**	£000	£000
Finance income				
Interest income on short-term bank deposits*	**56**	**1**	-	-
Dividend income	**-**	**536**	-	674
Total finance income	**56**	**537**	-	674
Finance costs				
Interest payable on lease liabilities	**(133)**	**-**	(174)	-
Interest on underpaid tax	**-**	**-**	(7)	(7)
Total finance costs	**(133)**	**-**	(181)	(7)
Net finance (costs) / income	**(77)**	**537**	(181)	667

*At 31 December 2022, £13,000 was received and £43,000 accrued.

Notes to the financial statements continued

9. Income tax expense

	Group Year Ended 31 December 2022 £000	Company Year Ended 31 December 2022 £000	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
a Analysis of charge in the year				
Current tax				
Current tax on profits for the year	**3,307**	**3,122**	2,649	2,445
Adjustments in respect of prior years	**(104)**	**(104)**	27	32
Total current tax	**3,203**	**3,018**	2,676	2,477
Deferred tax recovery				
Origination and reversal of temporary differences	**(457)**	**-**	618	-
Total deferred tax	**(457)**	**-**	618	-
Income tax expense	**2,746**	**3,018**	3,294	2,477

b Factors affecting the tax charge for the year

The UK standard rate of corporation tax for 2022 was 19% (2021: 19%).

The tax assessed for the year is lower (2021: higher) than the UK effective rate of corporation tax for the year of 19% (2021: 19%). The differences are explained below:

	Group Year Ended 31 December 2022 £000	Company Year Ended 31 December 2022 £000	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
Profit before tax	**15,211**	**18,431**	9,456	14,641
Tax calculated at rates applicable to profits in the UK (19%) (2021: 19%)	**2,890**	**3,502**	1,797	2,782
Tax effects of:				
Expenses not deductible for tax purposes	**4**	**1**	11	9
Depreciation in excess of capital allowances	**(1)**	**(1)**	(1)	(1)
Share of taxable profits in excess of share of accounting profits from LLPs	**3,189**	**3,189**	2,368	2,368
Reallocation of taxable profit under mixed partnership rules	**(3,232)**	**(3,469)**	(1,846)	(2,705)
Adjustments in respect of prior years	**(104)**	**(104)**	27	32
Loss surrender from group companies	**-**	**-**	-	-
RDEC other income taxed in prior year	**-**	**-**	(8)	(8)
Deferred tax amortisation	**(457)**	**-**	618	-
Deferred tax adjustments in respect of prior years	**-**	**-**	-	-
Utilisation of tax losses not previously recognised	**-**	**-**	-	-
Customer relationship intangible amortisation	**457**	**-**	328	-
Dividends received from subsidiaries	**-**	**(100)**	-	-
Total tax charge	**2,746**	**3,018**	3,294	2,477

Notes to the financial statements continued

10. Property, plant & equipment

	IT equipment £000	Leasehold improvements £000	Furniture £000	Machinery and equipment £000	Total £000
Group					
Cost					
As at 1 January 2022	**1,955**	**7,541**	**254**	**123**	**9,873**
Additions	**578**	**127**	**-**	**-**	**705**
Remeasurement to right-to-use asset	**-**	**142**	**-**	**-**	**142**
Disposals	**(275)**	**-**	**-**	**-**	**(275)**
As at 31 December 2022	**2,258**	**7,810**	**254**	**123**	**10,445**
Accumulated depreciation					
As at 1 January 2022	**1,277**	**4,705**	**242**	**93**	**6,317**
Depreciation charge	**430**	**1,600**	**7**	**14**	**2,051**
Remeasurement to right-to-use asset	**-**	**142**	**-**	**-**	**142**
Disposals	**(276)**	**-**	**-**	**-**	**(276)**
As at 31 December 2022	**1,431**	**6,447**	**249**	**107**	**8,234**
Net book value					
As at 31 December 2022	**827**	**1,363**	**5**	**16**	**2,211**
As at 31 December 2021	*678*	*2,836*	*12*	*30*	*3,557*

The Company holds no fixed assets.

Notes to the financial statements continued

11. Intangible fixed assets

	Goodwill	Customer relationships	Brand	Intellectual property rights	Development costs	Total
	£000	£000	£000	£000	£000	£000
Group						
Cost						
As at 1 January 2022	**44,903**	**29,580**	**1,799**	**210**	**4,720**	**81,212**
Additions	**-**	**-**	**-**	**-**	**2,326**	**2,326**
Disposals	**-**	**-**	**-**	**-**	**(47)**	**(47)**
As at 31 December 2022	**44,903**	**29,580**	**1,799**	**210**	**6,999**	**83,491**
Accumulated amortisation						
As at 1 January 2022	**-**	**9,988**	**898**	**200**	**3,551**	**14,637**
Charge for the year	**-**	**2,113**	**292**	**9**	**578**	**2,992**
Disposals	**-**	**-**	**-**	**-**	**(47)**	**(47)**
As at 31 December 2022	**-**	**12,101**	**1,190**	**209**	**4,082**	**17,582**
Net book value						
As at 31 December 2022	**44,903**	**17,479**	**609**	**1**	**2,917**	**65,909**
As at 31 December 2021	*44,903*	*19,592*	*901*	*10*	*1,169*	*66,575*

During the year, £135,000 of research and development costs were recognised as an expense in the Statement of comprehensive income of the UK Group, the Company had no research and development costs expensed during the year.

The Goodwill brought forward figure includes a balance of £7.7 million arose on the acquisition of the business by Caledonia Investments plc on the 7 September 2015. Under IAS38 goodwill is classified as having an indefinite useful life and therefore is not amortised.

Additional goodwill of £18.9 million was recognised on the acquisition of Tcam Asset Management Group Limited by the Group on 31 July 2018. Goodwill is the difference between the acquisition price of £27.6 million and the net assets in the acquired business. The entire Goodwill of £108.9 million has been allocated to one CGU as 7IM Financial Solutions Limited's discretionary client business was subsumed within the existing 7IM CGU.

Goodwill of £15.9 million was recognised on the acquisition of Partners Wealth Management LLP by the Group on 30 September 2020. Goodwill is the difference between the acquisition price of £19.9 million and the net assets in the acquired business.

Goodwill of £2.2 million was recognised on the acquisition of Find A Wealth Manager Limited by the Group on 16 October 2020. Goodwill is the difference between the acquisition price of £3.0 million and the net assets in the acquired business.

Management have performed an impairment review of the goodwill. The recoverable amount has been determined based on a value in use calculation. This calculation uses pre-tax cash flow projections based projections covering a three year period. During the preparation of the UK Group projections, sensitivity analysis was performed on various scenarios. The three main sensitivities in the financial projections are the new asset inflows, redemption outflows and the overall valuation movement of investment markets. Only under a scenario where the discount rate increases to 22.2% would there be an impairment requirement. Additionally there would need to be an impairment once the annual EBITDA growth rate were to fall beneath 35.5%. These sensitivities relate to the 7IM CGU.

Notes to the financial statements continued

For the Partners Wealth Management LLP CGU the recoverable amount exceeds the carrying value by £90.0 million. Projections used in the value in use calculation assumed one year EBITDA growth rate of 29% and market movement of 4.5%.

For the Find A Wealth Manager Limited CGU the recoverable amount exceeds the carrying value by £8.9 million. Projections used in the value in use calculation assumed one year EBITDA growth rate of 21% and market movement of 4.5%.

For the 7IM CGU the recoverable amount exceeds the carrying value by £140.4 million. Projections used in the value in use calculation assumed one year EBITDA growth rate of 29% and market movement of 4.5%

The principle assumptions used in the estimation of the recoverable amounts are set out below.

	2022	2021
	%	%
Discount rate	**11.3%**	11.9%
Terminal growth rate	**2.3%**	2.0%
Budgeted EBITDA growth rate average	**28.1%**	21.5%

Customer relationships and brand intangibles of £16.8 million and £1.1 million respectively were recognised under IFRS 3 as separately recognisable intangibles arising on the acquisition of the business by Caledonia Investments plc. Amortisation is charged on customer relationships and brand over the expected useful lives of fourteen and ten years, respectively. The customer relationships intangible has a remaining amortisation period of seven years and the brand intangible has a remaining amortisation period of three years.

A customer relationships intangible of £8.1 million was recognised under IFRS 3 as a separately recognisable intangible arising on the acquisition of Tcam Asset Management Group Limited on 31 July 2018. Amortisation is charged on customer relationships over the expected useful life of fourteen years. This intangible has a remaining amortisation period of ten years.

Customer relationships and brand intangibles of £4.6 million and £0.3 million respectively were recognised under IFRS 3 as separately recognisable intangibles arising on the acquisition of Partners Wealth Management LLP on 30 September 2020. Amortisation is charged on customer relationships and brand over the expected useful lives of fourteen and three years, respectively. The customer relationships intangible has a remaining amortisation period of twelve years and the brand intangible has a remaining amortisation period of one year.

A brand intangible of £0.5 million was recognised under IFRS 3 as a separately recognisable intangible arising on the acquisition of Find A Wealth Manager Limited on 16 October 2020. Amortisation is charged on the brand intangible over the expected useful life of five years. The brand intangible has a remaining amortisation period of three years.

Intellectual property rights relate to a smart phone and tablet application, and is amortised over three years.

The development costs include a smart phone and tablet application which is developed in phases. Costs are capitalised when incurred and amortisation commences when each phase goes live. The first phase was capitalised on 1 April 2013 and has been fully amortised. The later phases' amortisation periods have various end dates.

Development costs in the Group include development of multiple projects to update the Group's platform. Costs have been capitalised when incurred and amortisation commences when the final phase goes live.

The Group has assessed whether there is any indication for impairment of the customer relationships, brand and all other intangibles. Management has performed this review and concluded that no impairment is required.

Notes to the financial statements continued

12. Investments

i) Principle subsidiaries

The UK Group had the following subsidiaries at 31 December 2022:

Subsidiary	Country of incorporation	Nature of business	Proportion of ordinary shares directly held by parent company %	Proportion of ordinary shares held by the UK Group %	Included in Consolidated Financial Statements	Aggregate amount of capital and reserves £000	Profit for the year £000
Seven Investment Management LLP*	United Kingdom	Investment management	-	-	Yes	25,504	15,793
7IM Investment and Retirement Solutions Limited	United Kingdom	Pension & asset management	-	100	Yes	1,996	385
7IM Trustees Limited (dormant)	United Kingdom	Pension Trustee Committee	-	100	Yes	-	-
Find a Wealth Manager Limited	United Kingdom	Wealth Manager introducer	-	100	Yes	473	401
Partners Wealth Management LLP**	United Kingdom	Financial advisory services	-	-	Yes	6,049	3,667
7IM Limited	United Kingdom	Dormant Company	-	100	No	-	-

* The investment in Seven Investment Management LLP held by the Company consists of 95.01% of the voting rights while the remaining 4.99% of voting rights belong to individual members of the LLP. The profit includes a profit distribution to the Company that is also accrued in the Company of £4.8 million (2021: £3.6 million).

** The investment in Partners Wealth Management LLP held by the Company consists of 95.01% of the voting rights while the remaining 4.99% of voting rights belong to individual members of the LLP. The profit includes a profit distribution to the Company that is also accrued in the Company of £2.7 million (2021: £1.5 million).

Notes to the financial statements continued

ii) Investment in subsidiaries

	2022 £000	2021 £000
Investment in subsidiaries		
As at 1 January 2022	**81,010**	80,624
Additions	**70**	386
Disposals	**-**	-
As at 31 December 2022	**81,080**	81,010

The Company has an investment in Seven Investment Management LLP, an entity incorporated in the UK on 24 September 2012 and based at 55 Bishopsgate, London, EC2N 3AS. Seven Investment Management LLP provides investment management services to individual clients and a range of Open Ended Investment Companies and Model Portfolios, as well as platform services to financial intermediaries. The Company became the Corporate Member of Seven Investment Management LLP on 24 September 2012. The original investment was in the form of a capital contribution equal to the net asset value of the business transferred on 1 March 2013, which was £13,604,000. Subsequently in 2013, capital units in Seven Investment Management LLP were issued to LLP members, with the option to sell the units back to the Corporate Member (the Company) after three years. During 2020, Seven Investment Management LLP issued a further £2 million of member capital to the Company. The Company holds 95% of the voting rights of Seven Investment Management LLP while the remaining 5% of voting rights belong to individual members. An amount of £15,604,000 has been recognised under IFRS in respect of these capital units.

On 31 July 2018 the Company acquired an investment in Tcam Asset Management Group Limited purchasing the entire share capital for £27.6 million. The main business of the TCAM Asset Management Group Limited was carried out by its subsidiary, 7IM Financial Solutions Limited, which itself had three subsidiaries, namely Tcam Nominees Limited, Tcam Nominees (No.1) Limited and Tcam Nominees (No.6) Limited. During the year ended 31 December 2020 all these entities were dissolved, and the remaining £2,474,000 investment in Tcam Asset Management Group Limited was fully impaired.

Prior to 31 December 2018 7IM Financial Solutions Limited's clients, AUM, staff and operations transferred to Seven Investment Management LLP. As such the Company's investment in Tcam Asset Management Group Limited, the parent of 7IM Financial Solutions Limited, was reduced to the Net Asset value of Tcam Asset Management Group Limited as at 31 December 2018. The value of this investment was calculated to be £25.1 million and was added to the Company's investment in Seven Investment Management LLP.

7IM Investment and Retirement Solutions Limited was incorporated on 7 August 2017 as a wholly owned subsidiary of Seven Investment Management LLP. 7IM Investment and Retirement Solutions Limited provides retirement planning solutions to clients and operates the 7IM Self Invested Personal Pension ('SIPP'). It also became authorised to carry out financial planning services during the prior year. On 19 October 2020, the Company acquired 7IM Investment and Retirement Solutions Limited from Seven Investment Management LLP for £1.3 million.

On 30 September 2020 the Company acquired Partners Wealth Management LLP, a London based financial advisory firm with £2.2 billion AUM, which provides financial advisory services to high net worth clients. Partners Wealth Management LLP was acquired for an initial £19,927,000, with further deferred consideration to be paid over the next three years. The Company holds 95% of the voting rights of Partners Wealth Management LLP while the remaining 5% of voting rights belong to individual members.

Notes to the financial statements continued

On 16 October 2020 the Company acquired the entire share capital of Find A Wealth Manager Limited, a wealth manager online introducer, which aims to help affluent individuals find an appropriate match for their needs. The Company's investment in Find A Wealth Manager Limited is £2,964,000. A further £86,000 was paid on 6 September 2021 on the Find a Wealth Manager Limited's resolution of the contingent liability due to HMRC. The Company's total investment in Find A Wealth Manager Limited is £3,050,000.

The additions of £70,000 during 2022 relate to investments by the Company into Seven Investment Management LLP to replace the Capital of members who left during the year.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

13. Trade and other receivables

	Group 2022 £000	**Company 2022 £000**	Group 2021 £000	Company 2021 £000
Non-current assets				
Other receivables	**150**	**-**	150	-
Current assets				
Receivables from related parties	**-**	**7,622**	-	5,635
Settlement debtors	**15,275**	**-**	13,790	-
Prepayments	**2,368**	**14**	2,609	94
Accrued income	**8,752**	**-**	8,741	-
Other receivables	**6,941**	**-**	7,705	-
Value added tax	**450**	**188**	-	-
	33,786	**7,824**	32,845	5,729

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

Receivables due from related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Settlement debtors are amounts due to 7IM Funds for the sale of units in the 7IM OEICs. As ACD of the funds Seven Investment Management LLP includes these balances in its statement of financial position.

Accrued income includes £1,030,000 in relation to other income on the exit of the head office lease, see note 6 for further details.

Notes to the financial statements continued

14. Trade and other payables

	Group 2022 £000	**Company 2022 £000**	Group 2021 £000	Company 2021 £000
Current liabilities				
Settlement creditors	**15,263**	**-**	13,792	-
Trade payables	**2,635**	**286**	2,031	75
Other payables	**7,169**	**17**	8,394	4
Lease liabilities	**1,242**	**-**	1,805	-
Accrued expenses	**8,755**	**91**	7,594	42
Current income tax liability	**452**	**478**	319	321
Value added tax	**-**	**-**	389	-
	35,516	**872**	34,324	442
Non-current liabilities				
Lease liabilities	**359**	**-**	1,448	-
Amounts due to related parties	**-**	**2,218**	-	1,298
	359	**2,218**	1,448	1,298

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Amounts due to related parties are unsecured. At 31 December 2021 the Company owes Seven Investment Management LLP £2,218,000. The balance consists of £1,298,000 relating to the acquisition of 7IM Investment and Retirement Solutions Limited and £920,000 relating to the Vat refund received on behalf of Seven Investment Management. The balance is held as a non-current liability, on which no interest is being charged. See related party note 25.

Settlement creditors are amounts payable from 7IM Funds to investors for the repurchase of their units in the 7IM OEICs. As ACD of the funds Seven Investment Management LLP includes these balances in its statement of financial position.

Notes to the financial statements continued

15. Provision

	Group 2022 £000	**Company 2022 £000**	Group 2021 £000	Company 2021 £000
Provision at 1 January	**4,006**	**-**	-	-
Addition	**-**	**-**	4,006	-
Reduction in valuation	**(724)**	**-**	-	-
Other provision movements	**70**	**-**	-	-
Provision at 31 December	**3,352**	**-**	4,006	-

In it capacity as Authorised Corporate Director, Seven Investment Management LLP ("7IM LLP") has commenced on a remediation programme in respect of an illiquid asset held as an asset by a number of 7IM Funds which has been overseen by the Fund's Depositary and also as apprised to the Financial Conduct Authority.

During 2021 the LLP made a provision of £4,006,000 in relation to the remediation programme which encompasses remediation of the 'Prospective Loss'. The Prospective Loss is designed to provide investors with the greater of the final value recovered (via the appointed liquidator of the aforementioned illiquid asset) or the 'Proxy Value', calculated as the performance of the relevant Investment Associa-tion (IA) Sector Average Peer Group (the IS Flexible Investment) from the point of liquidation June 2019. During the year the provision was revalued and reduced by £638,000, with a further £16,000 accrual released against the provision, leaving a provision balance at 31 December 2022 of £3,352,000.

The Prospective Loss is payable upon completion of the liquidation process or sooner dependent on the recovery profile and outlook. 7IM LLP will make payment to the 7IM Funds closing the accrual.

The entire value of this provision is covered by a corresponding reimbursement asset, discounted using a 1 year discount rate of 3.48%, which has been recognised in trade and other receivables.

The LLP has recognised a reimbursement asset in relation to an amount which is due to be received from its insurer. The asset is inextricably linked to a provision of which there is uncertainty over the timing and the amount which is due to be paid. As a result, under IAS 37 the LLP's best estimate of the provision and as a result the reimbursement asset includes a discount. The discount was calculated using a financial model which takes into account external benchmarking factors alongside the knowledge LLP has over the value of both the asset and the liability.

16. Deferred taxation

	Group 2022 £000	**Company 2022 £000**	Group 2021 £000	Company 2021 £000
Deferred tax liabilities				
Deferred tax liability to be recovered in less than one year	**361**	**-**	361	-
Deferred tax liability to be recovered after more than one year	**4,126**	**-**	4,583	-
Deferred tax liability	**4,487**	**-**	4,944	-

The deferred tax liability relates to the customer relationship and brand intangible assets.

Notes to the financial statements continued

17. Borrowings

The Company had an overdraft facility of £2,000,000 with National Westminster Bank plc that expired on 30 September 2021. The fee for initially setting up this facility was £192,000, which was recharged to the Company by its former parent, Caledonia Thames Acquisition Limited, who had arranged it in 2015. The Company has recognised this fee as a prepayment and has amortised it over the length of the facility as liquidity services, in accordance with IAS 39.

The Company also paid a fixed facility commitment fee of £3,500 per quarter for provision of this facility. This fee is accrued in the statement of comprehensive income each month, and amounted to £14,000 for the year ended 31 December 2021.

The facility was secured by floating charges over the assets of the Company, Caledonia Thames Acquisition (Jersey) Limited, and Caledonia Thames Group (Jersey) Limited.

18. Pension scheme

Seven Investment Management LLP contributes to a defined contribution pension scheme and to Self Invested Personal Pensions according to the employee's choice and, under the terms of Seven Investment Management LLP's flexible benefit policy, Seven Investment Management LLP made contributions at a rate of up to 10% of pensionable salary. The cost of contributions in the year was £1,643,000 (2021: £1,605,000). Outstanding contributions at the statement of financial position date were £143,000 (2021: £124,000). Under the terms of the pension Act 2008, all eligible employees are auto enrolled into the Group Pension Scheme on commencement of employment. Seven Investment Management LLP's staging date for Auto Enrolment was 1 July 2017. Seven Investment Management LLP has complied with its Auto Enrolment responsibilities under the Pensions Act 2008 and submitted its declaration to the regulator on 22 July 2020.

Partners Wealth Management LLP contributes to a defined contribution pension scheme, and makes a contribution of 4% of pensionable salary. Since acquisition date Partners Wealth Management LLP has made contributions of £96,000 (2021: £85,000). Outstanding contributions at the statement of financial position date was £16,000 (2021: £16,000).

19. Leases

Leases as lessee (IFRS 16)

During the year ended 31 December 2022 Seven Investment Management LLP leased four offices. One in London, one in Jersey, and two in Edinburgh.

The London office lease commenced in September 2015 under a non-cancellable operating lease agreement, with an eight year term ending in 2023 and a 13 month rent-free period.

On 23 August 2017 the lease for the Ocean Point office in Edinburgh was assigned from the Company to Seven Investment Management LLP. Prior to that date the operating lease payments were recharged to Seven Investment Management LLP under the terms of the services agreement. The lease includes an assignment and a variation and expires on 20 September 2023.

The Jersey office is signed up on an annual renewable license for it's premises which is outside the scope of IFRS 16. The Jersey office was closed during 2022 alongside the sale of the Jersey Branch.

The Princes Exchange office in Edinburgh was re-assigned from 7IM Financial Solutions Limited to Seven Investment Management LLP in December 2019, with the lease term ending in December 2025.

Notes to the financial statements continued

Partners Wealth Management LLP leases one office in London. The office lease commenced in June 2018 under a non-cancellable operating lease agreement, with a ten year term ending in 2028 and a 12 month rent- free period. The agreement includes a break clause in 2023 which, if not exercised, qualifies the LLP for an additional 12 month rent-free period in the second half of the term. The accounting treatment for this lease is based on five year term on the assumption that the break clause is exercised in 2023.

Seven Investment Management LLP leases IT equipment with contract terms of one to two years. These leases are short-term and/or leases of low-value items. Seven Investment Management LLP has elected not to recognise right-of-use assets and lease liabilities for these leases.

i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 10).

	2022	2021
	£000	£000
As at 1 January	**2,834**	4,320
Additions	**127**	-
Remeasurement	**-**	-
Depreciation charge for the year	**(1,600)**	(1,486)
As at 31 December	**1,361**	2,834

ii) Lease liabilities

	2022	2021
	£000	£000
As at 1 January	**3,253**	5,019
Additions	**127**	-
Remeasurement	**-**	-
Lease payments made in the year	**(1,912)**	(1,955)
Interest payable on lease liabilities	**133**	189
As at 31 December	**1,601**	3,253

iii) Amounts charged to statement of comprehensive income

Interest payable on lease liabilities	**133**	189

iv) Amounts recognised in the statement of financial position

The table below summarises the maturity profile of the UK Group's lease liabilities based on contractual undiscounted payments after the reporting date:

2022	**Within 1 year or repayable on demand**	**1-5 years**	**>5 years**	**Total**
	£000	**£000**	**£000**	**£000**
Lease liabilities	**1,242**	**359**	**-**	**1,601**

2021	Within 1 year or repayable on demand	1-5 years	>5 years	Total
	£000	£000	£000	£000
Lease liabilities	1,805	1,448	-	3,253

Notes to the financial statements continued

20. Share capital and premium

2022	**Shares authorised and issued number**	**Ordinary shares £000**	**Share premium £000**	**Preference shares £000**	**Total £000**
Authorised, issued and fully paid					
Ordinary shares of £0.01 at various premiums	**5,344,677,138**	**52,762**	**23,162**	**-**	**75,924**
8% preference shares of £0.01 each	**-**	**-**	**-**	**700**	**700**
Reclassification of preference shares	**-**	**685**	**15**	**(700)**	**-**
	5,344,677,138	**53,447**	**23,177**	**-**	**76,624**

Holders of ordinary shares are entitled to ordinary dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Holders of irredeemable preference shares are entitled to a fixed non-cumulative cash dividend of 8% per share per annum and are not entitled to vote at general meetings of the Company.

During 2022 70,000,000 preference shares were reclassified to ordinary shares with a resulting share premium.

2021	Shares authorised and issued number	Ordinary shares £000	Share premium £000	Preference shares £000	Total £000
Authorised, issued and fully paid					
Ordinary shares of £0.01 at various premiums	5,274,677,138	52,762	23,162	-	75,924
8% preference shares of £0.01 each	70,000,000	-	-	700	700
	5,344,677,138	52,762	23,162	700	76,624

21. Dividends

	Group 2022 £000	**Company 2022 £000**	Group 2021 £000	Company 2021 £000
Dividends paid on ordinary shares	**13,623**	**13,623**	8,535	8,535
Dividends paid on 8% preference shares	**33**	**33**	56	56
	13,656	**13,656**	8,591	8,591

Interim dividends amounting to £0.00258 per share were declared and paid by the Company during the year ended 31 December 2022 (2021 dividends paid of £0.0.00162 per share).

Notes to the financial statements continued

22. Share based payment reserve

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
As at 1 January	**3,594**	**-**	822	-
Movement for the year	**1,039**	**-**	2,772	-
As at 31 December	**4,633**	**-**	3,594	-

Deferred consideration relating to the acquisition of the Partners Wealth Management LLP by 7IM Holdings Limited on 30 September 2020 is being treated as employee remuneration under IFRS2 and IAS19, rather than acquisition consideration in accordance with the requirements of IFRS 3 based on the terms of the agreement. Deferred consideration is to be calculated and paid annually for the next two years on the anniversary of the acquisition date to two members of Partners Wealth Management LLP subject to meeting agreed revenue targets. Deferred consideration will be paid in both cash and reinvestment shares. Certain conditions exist where a portion of the deferred consideration may require mandatory reinvestment into ordinary shares in the parent of the Group, Caledonia Thames Holdings (Jersey) Limited.

The obligation to pay any deferred consideration to the two members has been novated up to Caledonia Thames Acquisitions (Jersey) Limited, which means that the Company does not need to account for any financial liability or obligation. Please see Accounting Policy 2 (x) for further details. Within the Group, charges are made to the statement of comprehensive income of Partners Wealth Management LLP and Caledonia Thames Acquisitions (Jersey) Limited.

For the period ended 31 December 2022, Partners Wealth Management LLP has accrued £1,039,000 (2021: £2,722,000) of expense in its statement of comprehensive income, which has been credited to a Share Based Payment Reserve. These balances are reflected in the UK Group balances at year-end.

23. Related parties

The Company is fully owned by Caledonia Thames Acquisition (Jersey) Limited. The ultimate parent company is Caledonia Investments plc.

Consolidated financial statements are prepared by both Caledonia Thames Holdings (Jersey) Limited and Caledonia Thames Group (Jersey) Limited, which include the Company's parent, Caledonia Thames Acquisition (Jersey) Limited, and the Company's subsidiaries, namely, Seven Investment Management LLP, 7IM Investment and Retirement Solutions Limited, 7IM Trustees Limited, Partners Wealth Management LLP and Find A Wealth Manager Limited.

Transactions and balances with subsidiaries

Seven Investment Management LLP

Since 24 September 2012 the Company has been the Corporate Member of Seven Investment Management LLP.

At 31 December 2022, the long-term payable balance with Seven Investment Management LLP was £2,218,000, consisting of the following:

On 19 October 2020 Seven Investment Management LLP's subsidiary, 7IM Investment and Retirement Solutions Limited, was acquired by the Company. This acquisition was for the net asset value of £1.3 million. At 31 December 2021 the Company has a non-current payable of £1.298 million due to Seven Investment Management LLP for the sale proceeds. This consideration loan shall not bear interest unless and until otherwise agreed by both entities.

Notes to the financial statements continued

During 2022, 7IM Holdings Ltd received a VAT refund of £920,000 from HMRC on behalf of the LLP, which is classified as a non-current payable and is also outstanding at 31 December 2022.

At the year end the current receivable outstanding from Seven Investment Management LLP was £106,000 (2021: £6,000) consisting of £771,000 of costs incurred on behalf of 7IM Holdings Ltd during the year and £10,000 outstanding from 2021, offset against the transfer of intangible assets to Seven Investment Management LLP from 7IM Holdings Ltd of £750,000 and Vat owed to 7IM Holdings Ltd of £117,000.

At 31 December 2022 the total receivable due from Seven Investment Management LLP was £4,906,000 (2021: £5,039,000), which is made up of the profit share from Seven Investment Management LLP of £4,800,000 and a receivable balance of £106,000. Prior year balance of £5,039,000 receivable relating to profit share from Seven Investment Management LLP was settled during 2022.

	2022	2021
	£000	£000
Seven Investment Management LLP Current Receivable	**106**	16
Seven Investment Management LLP Profit Share	**4,800**	5,023
Total	**4,906**	5,039

At the year end the following amounts were payable to Seven Investment Management LLP in respect of the acquisition of 7IM Investment and Retirement Solutions Limited by the Company and a VAT refund received during 2022 from HMRC by LLP on behalf of 7IM Holdings Limited:

	2022	2021
	£000	£000
Seven Investment Management LLP	**(2,218)**	(1,298)

Partners Wealth Management LLP

On 30 September 2020 the Company acquired Partners Wealth Management LLP, a London based financial advisory firm with £2.2 billion AUM, which provides financial advisory services to high net worth clients. Partners Wealth Management LLP has been a 7IM intermediary client of Seven Investment Management LLP for a number of years. The Company is the Corporate Member of Partners Wealth Management LLP, and the investment is carried at £19,927,000, with further deferred consideration to be paid over the next year.

At 31 December 2022 the receivable due from Partners Wealth Management LLP was £2,716,000, which is made up the profit share from Partners Wealth Management LLP.

	2022	2021
	£000	£000
Partners Wealth Management LLP Profit Share	**2,716**	596

Notes to the financial statements continued

7IM Investment and Retirement Solutions Limited

7IM Investment and Retirement Solutions Limited was incorporated on 7 August 2017, and is domiciled in the UK. It provides SIPP administration services to Seven Investment Management LLP.

There were no transactions between the company and 7IM Investment and Retirement Solutions Limited during the year ending 31 December 2022.

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Compensation includes all employee benefits as disclosed in note 7. Directors' remuneration is also disclosed in note 7.

Transactions and balances with parent

Caledonia Thames Acquisitions (Jersey) Limited

During the year, a preference dividend of £33,000 was paid to the parent, Caledonia Thames Acquisitions (Jersey) Limited.

24. Ultimate parent company and controlling party

The immediate parent undertaking is Caledonia Thames Acquisition (Jersey) Limited and they are the controlling party at year end. The address of its registered office is 44 Esplanade, St Helier, Jersey JE4 9WG.

The Company's ultimate parent and ultimate controlling party is Caledonia Investments plc, a UK incorporated entity. Both Caledonia Thames Holdings (Jersey) Limited and Caledonia Thames Group (Jersey) Limited prepare consolidated financial statements, including 7IM Holdings Limited.

25. Cash generated from / (used in) operations

	Group Year Ended 31 December 2022 £000	**Company Year Ended 31 December 2022 £000**	Group Year Ended 31 December 2021 £000	Company Year Ended 31 December 2021 £000
Operating profit before tax	**15,288**	**17,894**	9,456	13,974
Adjustments for:				
Prepaid fees	**57**	**57**	33	33
Tangible fixed assets depreciation (note 10)	**2,051**	**-**	1,806	-
Intangible fixed assets amortisation (note 11)	**2,992**	**-**	2,956	-
Deferred tax amortisation	**-**	**-**	618	-
(Increase)/decrease in trade and other receivables (note 13)*	**(1,087)**	**(20,006)**	2,844	(13,845)
Increase/(decrease) in trade and other payables (note 14)**	**2,266**	**1,350**	36	(280)
Net cash generated / (used) from operating activities	**21,567**	**(705)**	17,749	(118)

* Movement excludes current tax asset, interest receivables, profit share from subsidiary and prepaid debt fees.

** Movement excludes lease liability and interest payments, other interest payable and deferred consideration.

Notes to the financial statements continued

26. Contingencies and Commitments

At the year ended 31 December 2022 there are no contingent liabilities.

At the year ended 31 December 2021 there were also no contingent liabilities, however there was a contingent liability settled during year ended 2021 of £86,000, which related to Find a Wealth Manager Limited reclaiming outstanding VAT from the wealth managers. In addition, Seven Investment Management LLP was also involved in litigation with an ex-member. Both of these liabilities were subsequently settled during 2021.

The Company had an overdraft facility with National Westminster Bank plc of £2,000,000. The facility terminated on 30 September 2021.

The facility was secured by floating charges over the assets of the Company, Caledonia Thames Acquisition (Jersey) Limited, and Caledonia Thames Group (Jersey) Limited dated 31 July 2018.

27. Post Balance Sheet Events

The company has reviewed events since 31 December 2022 and has nothing of significance to report.

If you would like further information regarding anything financial:

020 7760 8777

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7IM Holdings Limited. Registered office: 55 Bishopsgate, London EC2R 3AS.
Registered in England and Wales number 04092911.

09.23

7IM