ANNUAL REPORT AND ACCOUNTS

SAND AIRE LIMITED

(Registered No: 03066958)

FOR THE YEAR ENDED 31 DECEMBER 2021

Report and financial statements
for the year ended 31 December 2021

Contents

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Officers and professional advisers

Directors
M Daly *Chairman*
C A Anderson
M V Baker
H L Fitzgerald

Secretary
Schroder Corporate Services Limited

Registered office
1 London Wall Place
London
EC2Y 5AU

Company number
03066958

Auditors
Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Strategic report
for the year ended 31 December 2021

The Directors present their Strategic report for the year ended 31 December 2021.

Results and review of the business

The loss for the year, after tax, was £5.7m (2020: £5.2m loss after tax).

Sand Aire Limited (the 'Company') provided a wide range of services to wealthy families and individuals, which comprises family office services, investment management, private equity, real estate and corporate finance. On 18 December 2020 the Company was acquired by Schroder & Co. Limited and the Company's trade was transferred to Schroder & Co. Limited during 2021. The acquisition adds to Schroder & Co. Limited's UK franchise with family offices and families of significant wealth and provides the ability to further develop the Schroders plc Wealth Management segment globally. Following the successful transfer, the Company will cease trading and be placed into voluntary liquidation.

As required by UK accounting standards, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. Provision has been made in the accounts to write down assets that no longer give any economic value. This includes the write down of fixed assets, intangible assets and prepayments and the provision for costs associated with onerous contracts that have been terminated.

Economic uncertainty driven by the Covid-19 pandemic remained a risk in 2021. The Covid-19 pandemic continues to have an effect on many aspects of people's lives and continues to impact investor sentiment. The Company and Schroders Plc (the 'Group') remained resilient throughout the pandemic and there has been no significant impact on business operations.

Directors' duties – compliance with section 172 of the Companies Act 2006

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

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

To discharge their section 172 duties, the Directors had regard to the factors set out above in making the principal decisions taken by the Company. During the year, the Board considered the impact on clients of the transfer of the Company's business to Schroder & Co. Limited so that their needs continued to be met.

Due to the structure of the Group, stakeholder engagement also took place using Group resources, in line with agreed delegations. For details of the engagement that takes place with the Company's stakeholders at Group level, please refer to the Schroders plc annual report and accounts for the year ended 31 December 2021 (the 'Schroders Report').

Key performance indicators

The Group's operations are managed on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.
The development, performance and position of the Group, which includes the Company, is discussed in the Strategic report in the Schroders Report. The Schroders Report does not form part of this report.

SAND AIRE LIMITED

Approved by the Board of Directors and signed on its behalf by:

Matthew Buckland, Authorised signatory for
Schroder Corporate Services Limited
Company Secretary
27 April 2022

Report of the Directors
for the year ended 31 December 2021

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2021. The information contained in the Strategic report and the Statement of Directors' responsibilities forms part of this Directors' report.

General Information

The Company is a private company, limited by shares, incorporated and domiciled in England and Wales. The Company's ultimate parent undertaking and controlling entity is Schroders plc, which together with the Company and Schroders plc's other subsidiary undertakings, form the Group.

On 18 December 2020 the Company was acquired by Schroder & Co. Limited and the Company's trade was transferred to Schroder & Co. Limited during 2021. The acquisition adds to Schroder & Co. Limited's UK franchise with family offices and families of significant wealth and provides the ability to further develop the Schroders plc Wealth Management segment globally. Following the successful transfer, the Company will cease trading and be placed into voluntary liquidation. As required by UK accounting standards, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern.

Dividends

During the year no dividends were paid or proposed.

Future developments

Following the transfer of the Company's clients the Directors intend to put the Company into voluntary liquidation.

Going concern

As required by UK accounting standards, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. Provision has been made in the accounts to write down assets that no longer give any economic value. This includes the write down of fixed assets and prepayments and the provision for costs associated with onerous contracts that have been terminated. The Company is forecasted to meet liabilities until wind down.

Directors

The Directors of the Company who have served throughout the year are set out within the officers and professional advisers page.

Independent Auditors and disclosure of information to independent Auditors

BDO LLP resigned on 25 March 2022 and Ernst & Young LLP were appointed as the external auditor of the Company in accordance with section 487 of the Companies Act 2006. In accordance with section 487(2) of the Companies Act 2006 and in the absence of a notice proposing that the appointment be terminated at a general meeting.

To the best of the Directors' knowledge, there is no relevant audit information of which EY is unaware. Each of the Directors has taken all reasonable steps that ought to have been taken by him or her as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

Statement of corporate governance arrangements

As a subsidiary undertaking, the Company applies the UK Corporate Governance Code where applicable to support Schroders plc's overall compliance with that code.

Pillar 3 disclosure

The Group Pillar 3 disclosure can be found on the following website:
https://www.schroders.com/en/sysglobalassets/annual-report/2021/documents/pillar-3-disclosures-as-at-31-december-2021.pdf

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- as explained in the Strategic Report and note 1, the Directors intend to liquidate the Company and, in consequence, these Financial Statements have not been prepared on a going concern basis.

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

SAND AIRE LIMITED

Approved by the Board of Directors and signed on its behalf by:

Matthew Buckland, Authorised signatory for
Schroder Corporate Services Limited
Company Secretary
27 April 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAND AIRE LIMITED

Opinion

We have audited the financial statements of Sand Aire Limited (the 'Company') for the year ended 31 December 2021 which comprise the Income statement, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1 of the financial statements which explains that the Directors intend to liquidate the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or

intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006 and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Financial Conduct Authority ('FCA') rules and regulations.
- We understood how the Company is complying with those frameworks by making enquiries of management. We corroborated our understanding through our review of board meeting minutes and correspondence received from the FCA.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment; and how management monitors these controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on large or unusual transactions based on our understanding of the business and enquiries of management.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Income statement
for the year ended 31 December 2021

	Notes	2021 £000	2020 £000
Turnover	3	2,725	8,594
Fund management costs		(95)	(185)
Administrative expenses		(1,723)	(10,641)
Exceptional loss on restructuring	4	(6,564)	(3,624)
Other operating income	5	3	827
Operating loss	6	(5,654)	(5,029)
Net interest receivable and similar income		-	1
Loss on ordinary activities before taxation		(5,654)	(5,028)
Tax on loss on ordinary activities	7	(2)	(155)
Loss on ordinary activities after taxation		(5,656)	(5,183)

Notes on pages 13 to 23 form part of these financial statements.

The Company has no other comprehensive income and losses other than the loss above.

Balance sheet
as at 31 December 2021

	Notes	2021 £000	2020 £000
Fixed Assets			
Intangible assets	10	-	6,563
		-	6,563
Current Assets			
Debtors			
- due within one year	11	1,524	3,157
Cash at bank and in hand		2,887	4,093
		4,411	7,250
Creditors: amounts falling due within one year	12	(29)	(2,788)
Net current assets		4,382	4,462
Total assets less current liabilities		4,382	11,025
Provisions for liabilities and charges	13	(4)	(992)
Net Assets		**4,378**	**10,033**
Capital and Reserves			
Called up share capital	15	7,773	7,773
Share premium account		19,234	19,234
Capital redemption reserve *		12	12
Profit and loss account		(22,641)	(16,986)
Shareholders' Funds		**4,378**	**10,033**

Notes on pages 13 to 23 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2022.

Helen Fitzgerald
Director

Sand Aire Limited registered number 03066958

* The Capital redemption reserve arose in 2007 when the Company bought back its own shares. The reserve is non-distributable.

Statement of changes in equity
for the year ended 31 December 2021

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000	£'000
1 January 2021	7,773	19,234	12	(16,986)	10,033
Loss for the year	-	-	-	(5,656)	(5,656)
31 December 2021	7,773	19,234	12	(22,641)	(4,378)

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account restated	Total equity
	£'000	£'000	£'000	£'000	£'000
1 January 2020 restated	4,835	19,065	12	(11,803)	12,109
Loss for the year	-	-	-	(5,183)	(5,183)
Share issue	2,938	169	-	-	3,107
31 December 2020	7,773	19,234	12	(16,986)	10,033

Notes on pages 13 to 23 form part of these financial statements.

Notes forming part of the financial statements
for the year ended 31 December 2021

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General notes

Income statement related notes

Balance Sheet related notes

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102).

Sand Aire Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is 1 London Wall Place, London, EC2Y 5AU.

As described more fully in the Strategic Report on page 1, following the acquisition of the Company by Schroder & Co. Limited, all business activity has now transferred to Schroder & Co. Limited during 2021. As required by UK accounting standards, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. Provision has been made in the accounts to write down assets that no longer give any economic value. This includes the write down of fixed assets and prepayments and the provision for costs associated with onerous contracts that have been terminated. The Company is forecasted to meet liabilities until wind down.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates.

The following principal accounting policies have been applied:

Company disclosure exemption:
In preparing the financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company as it is consolidated in the financial statements of its ultimate parent company.

Pensions
The Company operated one defined contribution pension scheme, a group personal pension scheme. The assets of this scheme are held separately from those of the Company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to this scheme and to any other pension plans of employees in respect of the accounting period.

Intangible assets
Identifiable and measurable intangible assets acquired as part of the purchase of a business are capitalised. The Directors review the carrying value of intangible assets at each balance sheet date. Where it is considered that there is a permanent diminution in value, the value of the intangible is written down and the impairment charged to the profit and loss account.

Foreign currencies
Transactions involving foreign currencies are translated at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

Foreign currencies (continued)
using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Operating leases
Costs of operating leases are charged to the profit and loss account on an accruals basis.

Taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed as and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Dividends
Equity dividends are recognised when they become legally payable.

Turnover
Turnover represents management, administration and other family office services' fees, recognised on an accruals basis, and performance fees, recognised when they become receivable.

Termination benefits
Employee benefits provided in exchange for the termination of an employee's employment as a result of either (i) an entity's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits are charged to profit or loss in the year in which they become payable. Termination payments made during the year are shown in note 9.

Share based payments
The Long Term Incentive Plan provides the participants with the opportunity to purchase A ordinary shares in the Company. These are issued at the full unrestricted market value but are subject to vesting and other conditions as set out in the Company's Articles.

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Financial assets

The Company classifies its financial assets at initial recognition as loans and receivables. The Company's receivables comprise trade and other receivables and cash and cash equivalents in

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

Financial assets (continued)
the balance sheet. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(a) Trade and other receivables are recognised and carried at the lower of their transaction price and present value of estimated cash flows. Provision is made when there is objective evidence that the Company will not be able to recover the balances in full.
(b) Cash and cash equivalents comprise cash at bank with original maturity of three months or less.

Financial liabilities
Financial liabilities are initially recognised at fair value and classified as fair value through the profit and loss or amortised cost. The Company derecognises financial liabilities when its contractual obligations are discharged or cancelled or when they expire.
The Company has not designated any liabilities as fair value through profit and loss and holds no liabilities as held for trading.

2. Judgements and key sources of estimation and uncertainty

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In preparing these financial statements, the Directors have made the following judgements and estimations, which have the most significant effect on the amounts recognised in the financial statements:

- Determine the value of any provisions. Where a provision arises, the Directors assess all the relevant facts available to them, which may include input from third parties, to calculate the amount to be provided.
- Review the carrying value of intangible assets. In 2021, client contracts in relation to ex Lord North Street Limited were hived up to Schroder & Co. Limited. The resulting intangible asset for Lord North Street Limited had a carrying value of £nil and was subsequently written off to the Income statement.

3. Turnover

Turnover represents the management and other fees receivable by the Company for the management of clients' portfolios and third party funds and provision of other family office services. In addition, it includes administration fees receivable from third party clients and group companies. Turnover is generated entirely within the United Kingdom.

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

4. Exceptional items

	2021 £000	2020 £000
Recognised in arriving at operating loss:		
Onerous contracts	-	1,027
Redundancy	-	2,597
LNS Intangible Write Off	6,564	-
	6,564	3,624

5. Other operating income

	2021 £000	2020 £000
Sundry income	3	827

As a result of the sale of the business it was agreed that Applerigg Ltd (the 'Seller') would reimburse the Company for certain onerous costs. This reimbursement is included within Other operating income in 2021.

6. Operating loss

This is arrived at after charging:

	2021 £000	2020 £000
Depreciation and amounts written off tangible fixed assets	-	101
Operating lease rentals	-	533
Foreign exchange loss	-	6
Fees payable to the Company's auditor for the audit of the Company's annual accounts	25	56
Fees payable to the Company's auditor for other services:		
- Taxation compliance services	-	-
- Other services	15	24

7. Taxation

The Company is based in the UK and pays taxes according to the rates applicable in the jurisdictions in which it operates. Most taxes are recorded in the income statement and relate to profits earned in the reporting period (current tax) but there are also amounts relating to timing differences between the accounting recognition of profits and the tax recognition (deferred tax).

(a) Analysis of charge reported in the income statement

	2021 £000	2020 £000
Current Tax		
Adjustments in respect of prior periods	-	162
Total current tax	-	162
Deferred Tax		
Origination and reversal of temporary differences	2	(7)
Total deferred tax	2	(7)
Total tax charge for the year	2	155

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

7. Taxation (continued)

(b) Factors affecting the tax charge for the year
The tax charge for the year is lower (2019: lower) than the UK standard rate of corporation tax for the period of 19 per cent. The differences are explained below:

	2021 £000	2020 £000
Loss before tax	(5,654)	(5,028)
Loss before tax multiplied by corporation tax at the UK standard rate of 19% (2020: 19%)	(1,074)	(955)
Effects of:		
Non-taxable income net of non-deductible expenses	1,247	5
Movement in deferred tax not recognised	(171)	943
Adjustments in respect of prior periods	-	162
Total tax charge/(credit) for the year	2	155

Deferred Tax

Deferred tax assets and liabilities represent amounts of tax that will become recoverable and payable in future accounting periods. They generally arise as a result of temporary differences, where the time at which profits and losses are recognised for tax purposes differs from the time at which the relevant transaction is recorded in the accounts. A deferred tax asset represents a tax reduction that is expected to arise in a future period. A deferred tax liability represents taxes which will become payable in a future period as a result of a current or prior year transaction.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the year end date.

The UK corporation tax rate is currently 19%. The UK Chancellor announced in the March 2021 budget that the rate will increase to 25% from April 2023. The rate increase was substantively enacted in May 2021.

A deferred tax asset of £6,050 (2020: £6,050) relating to £31,843 of capital losses has not been recognised as there is insufficient evidence that there will be sufficient taxable gains in the future against which the deferred tax asset could be utilised.

A deferred tax asset of £419,023 (2020: £1,291,212) relating to £2.2 million of losses and other temporary differences has not been recognised as there is insufficient evidence that there will be sufficient taxable profit against which these losses and temporary differences can be utilised.

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

8. Remuneration of directors

	2021 £000	2020 £000
Directors' emoluments – executive Directors	-	644
Directors' emoluments – non-executive Directors	-	125
Compensation for loss of office	-	220
Company contribution to defined contribution pension scheme	-	20
Other benefits in kind	-	36
	-	1,045

Emoluments of the highest paid Director

	2021 £000	2020 £000
Total emoluments	-	337

No Directors (2020: Two) accrued retirement benefits under money purchase schemes. The Directors' emoluments disclosed represent the proportion of the total emoluments received that are attributable to the Company with respect to all work undertaken for the Company. Compensation for loss of office pertains to 2 Directors during 2020.

9. Employees

	2021 Number	2020 Number
Average number of persons, including executive Directors, employed by the Company in the U.K.	6	49

	£000	£000
Wages and salaries	305	6,058
Social security costs	43	869
Compensation for loss of office	-	1,377
Pension costs	34	363
Aggregate remuneration paid and payable	382	8,667

10. Intangible assets

Cost	Total £000
At beginning of year	6,564
At end of year	6,564
Intangible Asset Write Off	(6,564)
Net book value at 31 December 2021	-
Net book value at 31 December 2020	6,564

During 2019, the Company's investment in Lord North Street Limited was reclassified as an intangible asset. The value of the intangible asset is reviewed annually.

During 2021, client contracts in relation to ex Lord North Street Limited were hived up to Schroder & Co. Limited. The resulting intangible asset for Lord North Street Limited had a carrying value of £nil and was subsequently written off to the Income statement.

Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

11. Debtors

	2021 £000	2020 £000
Amounts falling due within one year		
Trade debtors	-	191
Amounts owed by group undertakings	1,148	579
VAT	118	-
Other debtors	-	476
Prepayments and accrued income	258	1,911
	1,524	3,157

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

12. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	35	411
Amounts owed to group undertakings	-	-
Other taxation and social security	-	1,044
Other creditors	-	10
Accruals and deferred income	(6)	1,323
	-	-
	29	2,788

Creditors are non-interest bearing and the carrying amount is at amortised cost, which approximates their fair value.

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

13. Provisions for liabilities and charges

	Onerous contracts provision	Deferred tax provision	Total
	£000	£000	£000
At beginning of year	994	(2)	992
Additions	-	-	-
Released to the profit and loss account	(990)	2	(988)
At end of year	4	-	4

The onerous contracts provision has arisen in respect of those contracts which were terminated at 31 December 2020 which contain contractual commitments for early termination.

The deferred tax asset relates to the timing of pension payments and capital writing down allowances.

14. Operating leases

The Company had minimum lease payments under non-cancellable operating lease as set out below:

	2021 Land and buildings	2021 Other	2020 Land and buildings	2020 Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
- within one year	-	-	470	-
- between two and five years	-	-	-	-
- after five years	-	-	-	-
	-	-	470	-

15. Share capital

	2021	2020
	£000	£000
Allotted and issued:		
7,768,458 (2020: 7,768,458) ordinary shares of £1 (2020: £1) each	7,769	7,769
Nil (2020: Nil) ordinary shares of £1 (2020: £1) each part paid	-	-
445,000 (2020: 445,000) A ordinary shares of 1p (2020: 1p) each	4	4
	7,773	7,773

The fully paid £1 ordinary shares have full rights to receive notice, attend and vote at general meetings and to receive dividends. The £1 ordinary shares, 20p partly paid, have no voting rights or rights to receive dividends.

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

16. Related party disclosures

Prior to 18 December 2020, the immediate and ultimate holding company was Applerigg Limited, a company incorporated in England and Wales. Copies of the accounts can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

The Company invoiced £453,143 (2020: £1,541,925) in respect of investment management services provided to Stramongate S.A., an entity having common shareholders with Applerigg Limited until 18 December 2020, in respect of investment management services provided. At the year end £nil (2020: £341,511) of this total was yet to be received.

The Company invoiced £565,320 (2020: £2,524,572) in respect of investment management services provided to the OEICs from Carvetian Capital Management Limited, a wholly owned subsidiary of Applerigg Limited and the Authorised Corporate Director of the OEICs. At the year end £nil (2020: £240,733) of this total was outstanding and included in debtors.

The Company applies the FRS 102 exemption from the requirement to disclose related party transactions with the parent (Schroders & Co. Ltd) on the basis that it is a 100% owned subsidiary.

The Company invoiced £14,699 (2020: £103,353) under an investment management agreement from Mr Mark Houghton-Berry who was a Director of the Company until 5 March 2020. At the year end £nil (2020: £15,100) of this total was yet to be received.

The Company invoiced £754 (2020: £5,922) under an investment management agreement from Mr Christopher Scott who was a Director of the Company until 18 December 2020. At the year end £nil (2020: £5,891) of this total was yet to be received.

17. Pensions

During the year 11 (2020: 50) staff participated in defined contribution pension schemes.

The total pension cost for the Company was £33,560 (2020: £363,353). At the year end £nil (2020: £9,949) of contributions were outstanding and included in creditors. Of this total, £nil (2020: £nil) represents contributions accrued for employees who have not joined a pension scheme at year end.

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

18. Long term incentive plan

The Long Term Incentive Plan ('LTIP') which was introduced by the Company in 2009 was wound up in 2015 when the remaining part paid shares in issue were acquired by Applerigg Limited. The shares were made fully paid during 2020.

The part paid shares in issue are as set out below.

	2021		2020	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Part paid shares subject to vesting held at the beginning of the year	-	-	40,889	£5.15
Issued during the year	-	-	-	-
Made fully paid during the year	-	-	(40,889)	(£5.15)
Part paid shares subject to vesting held at the end of the year	-	-	-	-

During 2018 the Company introduced a new LTIP scheme. In that year the Company issued 445,000 A ordinary shares at 1p each. During 2020 the A ordinary shares were acquired by Applerigg Limited.

19. Immediate and ultimate holding company

The immediate holding company is Schroder & Co. Limited and the ultimate holding company is Schroders Plc, both companies incorporated in England and Wales. The results of the Company are consolidated in the Annual Report and Accounts of Schroders plc, copies of which can be obtained from www.schroders.com.