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Additional Tax Information for Scottish Widows Schroder Wealth Holdings Limited

Year Ended 31 December 2021

The audited statutory accounts for Scottish Widows Schroder Wealth Holdings Limited ("SWSHWL") are available at Companies House. These accounts include tax disclosures as required by International Financial Reporting Standards and the Companies Act. We have provided additional tax information below to ensure that the group of companies, headed by the parent company, SWSHWL, meets the standards and requirements of the Fair Tax Foundation's Solely UK-based Business Standard for the Fair Tax Mark certification.

Schroders Personal Wealth is extremely proud to be an accredited member of the Fair Tax Foundation and holder of the Fair Tax Mark. The requirements of the Fair Tax Foundation are more extensive than what we publish in our statutory accounts and we have provided this additional information to ensure we meet the principles of open and adequate disclosure.

The consolidated profit before tax for the year ended 31 December 2021 was £18,072,000, while the accounting total tax charge for the year was £1,716,000. This total tax charge comprised a current tax charge of £124,000 and a deferred tax charge of £1,592,000.

The expected current tax charge for the year at UK headline tax rate of 19.0% was £3,434,000. The reason that the actual current tax charge for the Group varies from what would be expected is explained below in the tax reconciliation with accompanying narrative:

Consolidated Income Statement (page 16 of statutory accounts)	31-Dec-21 £'000
Revenue	138,353
Cost of sales	(16,526)
Gross Profit	121,827
Other income	12,395
Administrative expenses	(116,388)
Exceptional income	881
Net interest expense	(643)
Profit before tax	18,072
Taxation charge	(1,716)
Profit after tax	16,356

Tax Reconciliation	31-Dec-21 £'000
Profit before tax per accounts	18,072
Expected tax charge (19.0%)	3,434
Expenses not deductible for tax purposes	39
Depreciation in excess of capital allowances	132
Amortisation not deductible for tax purposes	1,229
Non-taxable income	(2,355)
Transfer pricing adjustment for services received	(3,912)
Movement in provisions utilised	(734)
Fair value movements	(14)
Chargeable gain on disposals	4
Trading losses carried forward	2,176
Estimated current tax charge per accounts	124
Actual current tax charge per accounts	124
Movements in deferred tax	1,592
Total tax charge per accounts	1,716

Explanatory notes:

The most significant reasons for the actual current tax charge being less than expected are non-taxable income and transfer pricing adjustments for services received.

Non-taxable income is deemed to be capital in nature. Although this income is entirely appropriate for inclusion in the accounts, it is not regarded as taxable income when calculating the Group's tax liability.

Transfer pricing adjustments are additional deductions allowed when calculating the Group's tax liability in order to reflect arm's length transaction prices for services received.