



Interim statement for the six months
ended 31 October 2009

Contents

INTERIM STATEMENT for the six months ended 31 October 2009

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Highlights

	Unaudited Six months ended 31 October 2009 £m	Restated Unaudited Six months ended 31 October 2008 £m	Change
Operating income	86.5	88.5	(2.3)%
Operating profit	12.3	12.0	2.5%
	Pence per share	Pence per share	Change
Adjusted earnings per share – basic*	16.3	14.7	10.9%
Interim dividend per share	16.0	3.5	357.1%
	31 October 2009	31 October 2008	Change
Funds under management and advice	£9.1bn	£7.8bn	16.7%

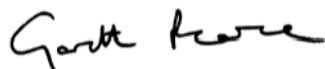
*Adjusted earnings per share – basic excludes finance costs in relation to the C ordinary shares as per note 4.

Chairman's statement

I am pleased to report that Smith & Williamson's profit before tax for the six months to 31 October 2009 was £12.1 million, an increase of 4% over the 2008 results. A lower tax charge resulted in earnings per share growth of 13%. These results include the "change in discount on C ordinary shares preferred dividend debt component". More meaningful numbers, which exclude this finance cost, are shown on the highlights page. As I have explained in previous years, in managing the business day to day we pay particular attention to management accounts profits which exclude the impact of seasonal billing patterns on reported profit before tax. Management accounts profits were up 5% on the previous year. The six month period has seen an outstanding performance by our Investment Management & Banking division which has substantially increased profits on all measures. The Tax & Business Services division lost £4.2 million on the reported basis but broke even in management accounts terms.

Business conditions for our Investment Management & Banking division improved with stock market indices rising during the first half of our financial year. Our funds under management rose by 11% during this period which was in line with the rise in the FTSE APCIMS Stockmarket Balanced Index. The increase in funds under management and a high level of transactional activity more than compensated for the reduction in earnings on cash we manage for clients resulting from lower interest rates. Business conditions in the Tax & Business Services division continued to be very difficult but did not worsen. We have achieved substantial reductions in costs in the division during the period and expect this to lead to improved financial results in due course.

The Board intends to maintain the total dividend for this year at 20.5 pence per share. In view of the group's strong cash and regulatory capital position at 31 October, the Board has decided to pay an increased first interim dividend of 16.0 pence per share. This will be paid on 5 March 2010 to shareholders on the register at close of business on 5 February 2010. It is expected that a final dividend of 4.5 pence per share will be recommended at the Annual General Meeting in the autumn.



Gareth Pearce
Chairman

Condensed consolidated income statement

for the six months ended 31 October 2009

	Note	Unaudited Six months ended 31 October 2009 £'000	Restated Unaudited Six months ended 31 October 2008 £'000	Audited Year ended 30 April 2009 £'000
Interest and similar income		4,736	13,691	22,283
Interest expense and similar charges		(623)	(7,532)	(9,750)
Net interest income		4,113	6,159	12,533
Fee and commission income		85,851	84,317	172,481
Fee and commission expense		(4,860)	(2,838)	(8,010)
Net fee and commission income		80,991	81,479	164,471
Dividend income		245	219	218
Net trading income		841	448	1,200
Share of results of associate		108	-	168
Loss on disposal of investment securities		-	-	(56)
Other operating income		169	151	151
Operating income		86,467	88,456	178,685
Operating expenses		(74,166)	(76,494)	(152,400)
Operating profit		12,301	11,962	26,285
Finance cost – change in discount on C ordinary shares preferred dividend debt component		(227)	(326)	(651)
Profit before tax		12,074	11,636	25,634
Taxation	3	(3,546)	(4,076)	(8,166)
Profit for the period attributable to equity holders of the company		8,528	7,560	17,468
Earnings per share for the period attributable to the equity holders of the company				
- basic	4	15.9p	14.1p	32.6p
- diluted	4	15.8p	14.0p	32.5p

Condensed consolidated statement of comprehensive income

for the six months ended 31 October 2009

	Unaudited Six months ended 31 October 2009 £'000	Restated Unaudited Six months ended 31 October 2008 £'000	Audited Year ended 30 April 2009 £'000
Profit for the period	8,528	7,560	17,468
Other comprehensive income			
Fair value gain on available for sale financial assets	514	126	1,034
EBT loss on sale of shares	(30)	(37)	(56)
Actuarial movement adjusted for asset ceiling adjustment on defined benefit schemes	(531)	(230)	(475)
Actuarial (loss)/gain on retirement annuities	(62)	78	16
Tax relating to components of other comprehensive income	10	(17)	(160)
Total comprehensive income for the period	8,429	7,480	17,827

Condensed consolidated statement of changes in equity

for the six months ended 31 October 2009

	Share capital £'000	Share premium £'000	Investment in own shares £'000	Merger reserve £'000	Available- for-sale reserve £'000	Restated retained earnings £'000	Restated total equity £'000
Equity at 1 May 2008	5,698	33,301	(14,747)	97,991	2,982	41,100	166,325
Profit for the six months ended 31 October 2008	-	-	-	-	-	7,560	7,560
EBT loss on sale of shares	-	-	-	-	-	(37)	(37)
Equity dividend paid	-	-	-	-	-	(9,143)	(9,143)
Shares issued	191	5,737	-	-	-	-	5,928
Own shares bought	-	-	(398)	-	-	-	(398)
Own shares sold	-	-	1,231	-	-	-	1,231
Actuarial movement adjusted for asset ceiling adjustment on defined benefit schemes	-	-	-	-	-	(230)	(230)
Actuarial gain on retirement annuities	-	-	-	-	-	78	78
Share based payments	-	-	-	-	-	653	653
Net gains and (losses) on revaluation of available-for- sale assets	-	-	-	-	126	-	126
Deferred tax on equity items	-	-	-	-	(33)	16	(17)
Other transfers	-	-	-	-	-	24	24
Equity at 31 October 2008	5,889	39,038	(13,914)	97,991	3,075	40,021	172,100
Profit for the six months ended 30 April 2009	-	-	-	-	-	9,908	9,908
EBT loss on sale of shares	-	-	-	-	-	(19)	(19)
Equity dividend paid	-	-	-	-	-	(1,317)	(1,317)
Own shares sold	-	-	146	-	-	-	146
Actuarial movement adjusted for asset ceiling adjustment on defined benefit schemes	-	-	-	-	-	(245)	(245)
Actuarial loss on retirement annuities	-	-	-	-	-	(62)	(62)
Share based payments	-	-	-	-	-	865	865
Net gains and (losses) on revaluation of available-for- sale assets	-	-	-	-	908	-	908
Deferred tax on equity items	-	-	-	-	(257)	78	(179)
Other transfers	-	(1)	-	-	-	(197)	(198)
Equity at 30 April 2009	5,889	39,037	(13,768)	97,991	3,726	49,032	181,907

Condensed consolidated statement of changes in equity

for the six months ended 31 October 2009

	Share capital	Share premium	Investment in own shares	Merger reserve	Available-for-sale reserve	Restated retained earnings	Restated total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equity at 1 May 2009	5,889	39,037	(13,768)	97,991	3,726	49,032	181,907
Profit for the six months ended 31 October 2009	-	-	-	-	-	8,528	8,528
EBT loss on sale of shares	-	-	-	-	-	(30)	(30)
Equity dividend paid	-	-	-	-	-	(7,131)	(7,131)
Shares issued	6	157	-	-	-	-	163
Own shares bought	-	-	(2,365)	-	-	-	(2,365)
Own shares sold	-	-	1,847	-	-	-	1,847
Actuarial movement adjusted for asset ceiling adjustment on defined benefit schemes	-	-	-	-	-	(531)	(531)
Actuarial loss on retirement annuities	-	-	-	-	-	(62)	(62)
Share based payments	-	-	-	-	-	676	676
Net gains and (losses) on revaluation of available-for-sale	-	-	-	-	514	-	514
Deferred tax on equity items	-	-	-	-	(135)	204	69
Other transfers	-	-	-	-	-	48	48
Equity at 31 October 2009	5,895	39,194	(14,286)	97,991	4,105	50,734	183,633

Condensed consolidated statement of financial position

at 31 October 2009

	Note	Unaudited Six months ended 31 October 2009 £'000	Restated Unaudited Six months ended 31 October 2008 £'000	Audited Year ended 30 April 2009 £'000
Assets				
Non-current assets				
Intangible assets		128,644	127,299	126,910
Property, plant and equipment		8,518	10,163	9,461
Interest in associates		1,959	-	1,961
		<u>139,121</u>	<u>137,462</u>	<u>138,332</u>
Current assets				
Cash and cash equivalents	6	58,416	67,770	51,914
Loans and advances to banks	6	144,128	83,437	147,215
Settlement balances - assets		93,935	180,357	148,620
Loans and advances to customers		20,278	20,963	13,496
Prepayments, accrued income and other receivables		44,716	53,542	54,431
Investment securities - held-to-maturity		228,639	341,704	288,967
Investment securities - available-for-sale		6,816	5,143	6,306
		<u>596,928</u>	<u>752,916</u>	<u>710,949</u>
Total assets		<u>736,049</u>	<u>890,378</u>	<u>849,281</u>
Liabilities				
Non-current liabilities				
Deferred tax		810	821	943
Other borrowed funds		11,649	18,153	16,198
Retirement benefits		2,189	1,605	1,817
		<u>14,648</u>	<u>20,579</u>	<u>18,958</u>
Current liabilities				
Other borrowed funds		34,203	33,523	29,440
Settlement balances - liabilities		100,824	182,447	157,283
Due to customers		359,291	435,766	411,266
Accruals, deferred income, provisions and other payables		38,649	41,629	45,896
Current tax liabilities		4,801	4,334	4,531
		<u>537,768</u>	<u>697,699</u>	<u>648,416</u>
Total liabilities		<u>552,416</u>	<u>718,278</u>	<u>667,374</u>
Net assets		<u>183,633</u>	<u>172,100</u>	<u>181,907</u>
Equity				
Share capital	7	5,895	5,889	5,889
Share premium		39,194	39,038	39,037
Own shares		(14,286)	(13,914)	(13,768)
Other reserves		102,096	101,066	101,717
Retained earnings and other reserves		50,734	40,021	49,032
Total equity		<u>183,633</u>	<u>172,100</u>	<u>181,907</u>

Condensed consolidated statement of cash flows

for the six months ended 31 October 2009

	Unaudited Six months ended 31 October 2009	Restated Unaudited Six months ended 31 October 2008	Audited Year ended 30 April 2009
Note	£'000	£'000	£'000
Cash flows from operating activities			
Profit before tax	12,074	11,636	25,634
Depreciation of property, plant and equipment	1,125	1,230	2,507
Amortisation of intangible assets	527	593	1,267
Defined benefit pension cost and other retirement cost	328	150	285
Share of profit of associate	2	-	-
Increase/(decrease) in provisions	27	40	(70)
Finance cost	227	326	651
Other non-cash movements	(99)	297	382
Share based payment charges	676	653	1,518
Loss on disposal of available-for-sale equity investments	-	-	56
Loss on disposal of property, plant and equipment	90	95	368
	<u>14,977</u>	<u>15,020</u>	<u>32,598</u>
Operating cash flows before movements in working capital			
Changes in operating assets and liabilities			
(Increase)/decrease in loans and advances to customers	(6,782)	(6,068)	1,399
(Decrease)/increase in settlement balances (net)	(1,774)	(2,517)	4,056
Decrease in prepayments, accrued income and other receivables	9,715	4,912	4,023
(Decrease)/increase in amounts due to customers	(51,975)	6,261	(18,239)
Reclassification of amount included in other borrowed funds to bank overdraft	-	(12,632)	(12,632)
Decrease in accruals, deferred income, and other payables	(7,274)	(13,220)	(8,768)
	<u>(43,113)</u>	<u>(8,244)</u>	<u>2,437</u>
Cash (used in)/generated from operations	(43,113)	(8,244)	2,437
Defined benefit contribution and annuities paid	(412)	(485)	(800)
Tax paid	(3,331)	(4,230)	(8,165)
	<u>(46,856)</u>	<u>(12,959)</u>	<u>(6,528)</u>
Net cash outflow from operating activities			
Cash flow from investing activities			
Purchase of property, plant & equipment and intangible assets	(2,568)	(2,684)	(4,172)
Proceeds from sale of property, plant and equipment	40	-	-
Acquisition of subsidiary	-	(1,998)	(1,998)
Initial investment in interest in associate	-	-	(1,796)
Proceeds from sale/(purchase) of investment securities (held-to-maturity)	60,328	(21,482)	31,255
Purchase of investment securities (available-for-sale)	-	-	(309)
	<u>57,800</u>	<u>(26,164)</u>	<u>22,980</u>
Net cash generated from/(used in) investing activities	57,800	(26,164)	22,980

Condensed consolidated statement of cash flows

for the six months ended 31 October 2009

	Note	Unaudited Six months ended 31 October 2009 £'000	Restated Unaudited Six months ended 31 October 2008 £'000	Audited Year ended 30 April 2009 £'000
Cash flows from financing activities				
Cash (repayment)/receipt from loans (net)		(2,280)	14,730	12,350
Investment in shares in EBT		(2,365)	(398)	(398)
Proceeds from sale of shares in EBT		1,817	1,194	1,321
Issue of ordinary shares		163	-	-
Dividends paid		(9,174)	(9,143)	(11,032)
Net cash (used in)/generated from financing activities		(11,839)	6,383	2,241
Net (decrease)/increase in cash and cash equivalents		(895)	(32,740)	18,693
Cash and cash equivalents at beginning of the period		176,292	157,599	157,599
Cash and cash equivalents at end of the period	6	175,397	124,859	176,292

Notes to the condensed consolidated financial statements

for the six months ended 31 October 2009

1. Principal accounting policies

Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the EU and be applicable as at 30 April 2010.

Except as described below, the accounting policies applied are consistent with those of the annual financial report and financial statements for the year ended 30 April 2009. The group has also adopted IFRS 8 'Operating Segments', mandatory for reporting periods beginning on or after 1 January 2009. The new standard replaced IAS 14 'Segment Reporting'. The standard has had no impact on the presentation of segmental information.

The group has adopted the amendments to IAS 39 Financial Instruments: Recognition and Measurement, IFRS 2 'Share-based Payment' and IFRS 7 Financial Instruments: Disclosures, mandatory for reporting periods beginning on or after 1 January 2009. The amendments to the standards have had no impact on the reported results or financial position of the group.

The presentation of the primary financial statements has been modified in order to comply with IAS 1 (revised). The revised standard has no impact on the reported results or financial position of the group. The Directors anticipate that the future adoption of standards and interpretations which are not mandatory for the year ending 30 April 2010 will not have a material effect on the group's financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Prior period restatement – C ordinary shares compound financial instrument

In the prior half-year period the preferred dividend debt component in relation to the C ordinary shares was not recognised in the consolidated group financial statements. IAS 32, Financial Instruments: Presentation requires that share capital with a dividend commitment be recognised as a compound financial instrument analysed between a debt component, being the right to receive future dividends, and an equity component, being the residual, with any financing cost attributable to the preferred dividend debt component being recognised in the income statement. The effect of this is that the preferred dividend debt component is recognised immediately as a debit to the income statement. The prior period comparatives have been restated to reflect this. The impact of the prior period restatement is as follows:

	Unaudited Six months ended 31 October 2008 £'000
Profit before tax	
Profit before tax prior to restatement	11,962
Finance cost – change in discount on C ordinary shares preferred dividend debt component	(326)
Restated profit before tax	<u>11,636</u>
Current and non-current liabilities	
Other borrowed funds prior to restatement	44,848
Recognition of C ordinary shares compound financial instrument debt component	6,828
Restated other borrowed funds	<u>51,676</u>
Total equity	
Total equity prior to restatement	178,928
Recognition of C ordinary shares compound financial instrument debt component	(6,828)
Restated total equity	<u>172,100</u>

Notes to the condensed consolidated financial statements

for the six months ended 31 October 2009

1. Principal accounting policies (continued)

Non-statutory financial statements

The Group's annual financial statements for the year ended 30 April 2009 were prepared in accordance with IFRS as adopted by the EU. The interim condensed consolidated financial statements for the half-year ended 31 October 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements at 30 April 2009. The statutory financial statements for the year ended 30 April 2009 have been delivered to the Registrar of Companies.

The auditors reported on those financial statements and their report was qualified specifically in respect of the accounting treatment of the C ordinary share capital. Notwithstanding the restatement made in relation to determining the debt component of the C ordinary shares the qualification related to additional, previous rights attaching to the C ordinary shares which would have resulted in further restatements in respect of prior financial periods up until and including 31 October 2008. The directors did not believe it was practicable to estimate with any degree of reliability the amounts that would attach to such an adjustment should it be made because this would require making significant estimates for which it is impossible to distinguish between information that provides evidence of circumstances that existed on the dates at which the transaction, other events and conditions occurred and which would have been available when the financial statements for those prior periods and years were authorised for issue and other information. Consequently, in respect of the prior period, as at 31 October 2008 equity was overstated and liabilities understated by an equivalent amount and finance charges were understated for the period then ended. Except for an overstatement of the opening equity as at 1 May 2008 and equity as at 31 October 2008 in the condensed consolidated statement of changes in equity, the above matter does not have an impact on the statement of financial position at 31 October 2009 or the income statement or cash flows for the period ended on that date.

The audit report did not contain a statement under Section 498 of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the six months ended 31 October 2009 and 31 October 2008 is unaudited.

The group's financial performance does not suffer materially from seasonal fluctuations. Apart from the restatement arising as a result of the C ordinary shares there have been no changes in estimates reported in prior periods which have a material impact on the current half-year period.

The interim financial report was approved by the board of directors on the 21 January 2010.

Notes to the condensed consolidated financial statements

for the six months ended 31 October 2009

2. Segmental information

For management purposes, the group is currently organised into two operating divisions: Investment Management and Banking and Tax and Business Services. These divisions are the business segments for which the group reports its primary segment information. The group's operations are predominantly in one geographical segment, the United Kingdom and the Republic of Ireland.

Six months ended	Investment Management and Banking £'000	Tax and Business Services £'000	Inter-segment eliminations £'000	Total £'000
31 October 2009 (unaudited)				
External revenue	47,306	44,536	-	91,842
Revenues from other segments	2,582	-	(2,582)	-
Total revenues	49,888	44,536	(2,582)	91,842
Segment Results				
Operating profit/(loss) before tax	16,398	(4,205)	-	12,193
Share of results of associate				108
Finance cost - change in discount on C ordinary shares preferred dividend debt component				(227)
Tax				(3,546)
Profit for the period				8,528
Segment assets	592,062	141,228	-	733,290
Interest in associate				1,959
Consolidated total assets				735,249
Segment liabilities	490,267	50,973	-	541,240
Debt component of compound financial instrument				5,611
Unallocated corporate liabilities				4,765
Consolidated total liabilities				551,616
Other segment items:				
Purchase of property, plant and equipment	89	134	-	223
Purchase of intangibles	1,545	-	-	1,545
Depreciation and amortisation	783	869	-	1,652

Notes to the condensed consolidated financial statements

for the six months ended 31 October 2009

2. Segmental information (continued)

Six months ended	Investment Management and Banking £'000	Tax and Business Services £'000	Inter-segment eliminations £'000	Total £'000
31 October 2008 (unaudited)				
External revenue	49,837	48,989	-	98,826
Revenues from other segments	1,836	-	(1,836)	-
Total revenues	51,673	48,989	(1,836)	98,826
Segment Results				
Operating profit before tax	11,158	804	-	11,962
Finance cost - change in discount on C ordinary shares preferred dividend debt component				(326)
Tax				(4,076)
Profit for the period				7,560
Segment assets	745,537	144,841	-	890,378
Consolidated total assets				890,378
Segment liabilities	646,927	59,368	-	706,295
Debt component of compound financial instrument				6,828
Unallocated corporate liabilities				5,155
Consolidated total liabilities				718,278
Other segment items:				
Purchase of property, plant and equipment	475	822	-	1,297
Purchase of intangibles	17	1,370	-	1,387
Depreciation and amortisation	625	1,198	-	1,823

Notes to the condensed consolidated financial statements

for the six months ended 31 October 2009

2. Segmental information (continued)

Year ended	Investment Management and Banking £'000	Tax and Business Services £'000	Inter-segment eliminations £'000	Total £'000
30 April 2009 (audited)				
External revenue	97,539	98,738	-	196,277
Revenues from other segments	3,822	-	(3,822)	-
Total revenues	101,361	98,738	(3,822)	196,277
Segment Results				
Operating profit before tax	25,864	253	-	26,117
Share of results of associate				168
Finance cost - change in discount on C ordinary shares preferred dividend debt component				(651)
Tax				(8,166)
Profit for the year				17,468
Segment assets	703,433	143,887	-	847,320
Interest in associate				1,961
Consolidated total assets				849,281
Segment liabilities	601,516	53,803	-	655,319
Debt component of compound financial instrument				6,581
Unallocated corporate liabilities				5,474
Consolidated total liabilities				667,374
Other segment items:				
Purchase of property, plant and equipment	619	1,525	-	2,144
Purchase of intangibles	717	2,754	-	3,471
Depreciation and amortisation	1,127	2,647	-	3,774

3. Taxation

The current tax expense for the six months ended 31 October 2009 has been calculated based on the estimated annual effective tax rate. The effective tax rate, adjusted to exclude the finance costs in relation to the C ordinary shares (note 1), for the period was 28.8% (31 October 2008: 34.1%; 30 April 2009: 31.1%).

The income tax charge for the period comprises:

	Unaudited Six months ended 31 October 2009 £'000	Unaudited Six months ended 31 October 2008 £'000	Audited Year ended 30 April 2009 £'000
Current tax	3,602	3,757	7,889
Deferred tax	(56)	319	277
Total tax	3,546	4,076	8,166

Notes to the condensed consolidated financial statements

for the six months ended 31 October 2009

4. Earnings per share

	Unaudited Six months ended 31 October 2009	Unaudited Six months ended 31 October 2008	Audited Year ended 30 April 2009
	£'000	£'000	£'000
Earnings attributable to ordinary shareholders	8,528	7,560	17,468
	'000	'000	'000
Weighted average number of ordinary shares in issue during the period	53,789	53,604	53,620
Number of dilutive shares under option	96	215	196
Adjusted number of shares	53,885	53,819	53,816
Earnings per share			
- basic	15.9p	14.1p	32.6p
- diluted	15.8p	14.0p	32.5p

The number of shares used in the basic earnings per share calculation is the weighted average number of shares in issue, less the weighted average number of shares owned by the EBT. The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares. The company's potentially dilutive ordinary shares arise from share options. For share options, a calculation is done to determine the number of shares that could have been acquired at fair value, based upon the monetary value of the subscription rights attached to outstanding share options.

Adjusted earnings per share excludes the recognition of the preferred dividend debt component of the C ordinary shares and associated finance costs as per note 1.

	Unaudited Six months ended 31 October 2009	Unaudited Six months ended 31 October 2008	Audited Year ended 30 April 2009
	£'000	£'000	£'000
Earnings attributable to ordinary shareholders	8,528	7,560	17,468
Finance cost – change in discount on C ordinary shares preferred dividend debt component	227	326	651
Adjusted earnings attributable to ordinary shareholders	8,755	7,886	18,119
Adjusted earnings per share			
- basic	16.3p	14.7p	33.8p
- diluted	16.2p	14.7p	33.7p

Notes to the condensed consolidated financial statements

for the six months ended 31 October 2009

5. Dividend per share

The interim dividend declared of 16.0p per share is payable on 5 March 2010 to shareholders on the register at the close of business on 5 February 2010. The second interim dividend of 17.0p per share for the year ended 30 April 2009 was paid on 2 October 2009.

6. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following balances with three months or less than three months maturity from the date of acquisition:

	Unaudited at 31 October 2009 £'000	Unaudited at 31 October 2008 £'000	Audited at 30 April 2009 £'000
Cash and cash equivalents	58,416	67,770	51,914
Loans and advances to banks	144,128	83,437	147,215
Bank overdraft	(27,147)	(26,348)	(22,837)
	<u>175,397</u>	<u>124,859</u>	<u>176,292</u>

7. Share capital

	Unaudited at 31 October 2009		Unaudited at 31 October 2008		Audited at 30 April 2009	
	Number	£'000	Number	£'000	Number	£'000
Authorised						
Ordinary shares of 10p each:						
A Ordinary	130,000,000	13,000	100,000,000	10,000	130,000,000	13,000
B Ordinary	-	-	30,000,000	3,000	-	-
C Ordinary	30,000,000	3,000	30,000,000	3,000	30,000,000	3,000
	<u>160,000,000</u>	<u>16,000</u>	<u>160,000,000</u>	<u>16,000</u>	<u>160,000,000</u>	<u>16,000</u>
Allotted and fully paid						
Ordinary shares of 10p each:						
A Ordinary	42,607,187	4,261	19,208,375	1,921	42,547,187	4,255
B Ordinary	-	-	23,338,812	2,334	-	-
C Ordinary	16,340,685	1,634	16,340,685	1,634	16,340,685	1,634
	<u>58,947,872</u>	<u>5,895</u>	<u>58,887,872</u>	<u>5,889</u>	<u>58,887,872</u>	<u>5,889</u>

There was one issue of A ordinary 10p shares during the period on 31 October 2009: 60,000 shares at a premium of £2.61 per share.

Notes to the condensed consolidated financial statements

for the six months ended 31 October 2009

8. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not included within this note.

The group provides accommodation and services to Nexia Smith & Williamson Audit Limited ('Nexia Smith & Williamson'). Smith & Williamson Holdings Limited and Nexia Smith & Williamson are considered to be related as they have certain shareholders in common. Two subsidiaries of the group, Smith & Williamson Services and Smith & Williamson Corporate Services Limited have provided staff to Nexia Smith & Williamson, the charge in the period being £5,473,000 (six months ended 31 October 2008: £5.2 million; year ended 30 April 2009: £10.5 million). Accommodation and other overheads totalling £445,000 (six months ended 31 October 2008: £0.5 million; year ended 30 April 2009: £1.3 million) have been charged to Nexia Smith & Williamson by the Smith & Williamson group. Smith & Williamson Services has also provided staff to Nexia Smith & Williamson Audit (Bristol) LLP during the period.

Smith & Williamson Limited has agreed to indemnify Nexia Smith & Williamson in respect of any financial loss incurred by Nexia Smith & Williamson up to a total liability of £2.0 million as a result of the operation of the business of the group and its subsidiaries.

Smith & Williamson Limited has guaranteed 48% of Nexia TS' facilities with DBS Bank Limited which currently comprises an overdraft facility of S\$500,000. Smith & Williamson Limited therefore guarantees the equivalent of £104,000 of Nexia TS' total facilities. At 31 October 2009 no facilities were drawn down.

At 31 October 2009, key management and their close family members had outstanding deposits of £265,000 (31 October 2008: £635,000; 30 April 2009: £305,000), which are made on normal business terms.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received in respect of amounts outstanding. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

9. Events after the period end

There have been no material events after the period end.

10. Interim statement

The interim statement has been sent to registered shareholders. Further copies are available from the company's registered office at 25 Moorgate, London, EC2R 6AY.