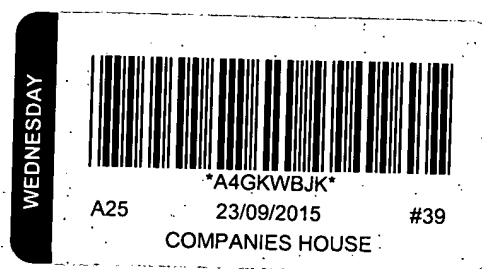


Tilney Investment Management
Annual Report
For the year ended 31 December 2014

Registered number: 02010520



Tilney Investment Management

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Tilney Investment Management

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

Tilney Investment Management's (the "Company") principal activity is the provision of investment management solutions to private investors, institutions and charities with portfolios held in discretionary or advisory accounts, tax trusts structures, ISAs and SIPPS through a regional network of four offices throughout the UK.

Review of the business

The Company was acquired by Tilney (Holdings) Limited on 1 August 2014.

The Company has disposed of its London office which included the London Investment Management and the UHNW portfolios prior to its sale by Deutsche Bank to Tilney (Holdings) Limited. The London Investment Management business was acquired by Rathbone Brothers plc on 31 March 2014 and the UHNW portfolios was retained by Deutsche Bank.

The Company is a leading private client investment group that is focused on excellent client service and the highest levels of professionalism. We continued to develop our business with this in mind.

The main business activities of the Company are:

- Investment Management: Tilney offers a range of investment management solutions which comprise four tailored approaches offering increasingly bespoke options and can be categorised as either Centralised or Bespoke Discretionary services; and
- Investment Advisory: a service that provides clients with access to personalised advice on asset allocation and fund selection.

Our vision is to provide the very highest levels of professional client service and to be recognised for leading expertise in investments and pensions.

The Company has long supported and adhered to transparent and consistent charging structures, ensured that its staff are trained and qualified to high standards and it has been at the forefront of pioneering services that represent excellent value for money. The Company therefore welcomes the core objectives behind Retail Distribution Review, which it believes are consistent with its own ethos. The changes to industry pricing models will better enable investors to assess whether they are receiving good value for money and in this respect we are confident that Tilney Investment Management is well placed.

Financial results

During 2014, the Company has disposed of its London office which is shown as discontinued operations in the profit and loss account.

The loss after tax for the continuing operations for the year ended December 2014 was £4.7 million (2013: £21.2 million) and more detail is given in the profit and loss account on page 9. The Company incurred a number of one-off cost items during the year.

The Company has net assets of £20.2 million as at 31 December 2014 (31 December 2013: £15.5 million; 1 January 2013: £24.4 million). The balance sheet is set out on page 11.

Key performance indicators

Key business drivers for the Company which are regularly monitored by the Board include:

- Assets under management for continuing operations as at 31 December 2014 was £3.4 billion (2013: £3.6 billion).
- Revenue from continuing operations for the year ended 31 December 2014 was £26.3 million (2013: £27.7 million).

Tilney Investment Management

Strategic report (continued)

Principal risks and uncertainties

Risk is inherent to the Company's activities and is managed through a process of identification, measurement and monitoring. The Company's operations expose it to certain financial risks. These include market risk, interest rate risk, credit risk and liquidity risk. There is also considerable focus in managing other business risks such as 'know your client' and suitability, and key outsource providers.

Ultimately the Board is responsible for determining the level of risk acceptable to the Company and this is subject to regular review. The Board ensures effective implementation of policies and procedures which minimise the extent of financial risk facing the Company at any point in time. The Company has a Risk and Audit Committee and an Operational Risk Committee who regularly review risks and policies to mitigate these. The Company maintains a Risk Register which is the main tool for monitoring risks, assessing its impact and considering any mitigating actions. A risk is rated based on its probability as well as its potential impact.

Market Risk

Most of the Company's revenues are linked to the values of clients' investments so market risk resulting in a decrease in investment values will cause a reduction in revenue. For discretionary investment management clients' investment decisions are made by experienced asset managers within an asset allocation framework that is controlled and monitored by a specialist research department. In addition, management and the board are provided with regular reporting of changes in asset values that are benchmarked against a range of indices and competitors. To mitigate this risk, our Finance team regularly analyses various different economic scenarios to model the impact of economic downturns on our financial position.

Interest Rate Risk

The Company is exposed to interest rate risk through interest-bearing assets. The interest-bearing assets include only cash balances which earn interest at prevailing bank rates.

Credit Risk

Credit risk represents the loss which the Company would incur if a customer or counterparty failed to perform its contractual obligations. This risk is well diversified so the Company has no significant exposure to credit risk. At the balance sheet date there were no significant concentrations of credit risk external to the Company. The exposure to credit risk is monitored on an ongoing basis. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity Risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance. The Company's cash flow needs are assessed on an ongoing basis to ensure liabilities can be met as they fall due.

KYC and Suitability

Suitability of investments for clients is considered an imperative throughout the company's activities. The Company is also clear that sufficient "know your client" information is obtained on all clients (new and existing) to mitigate the risk of inappropriate selling practice, to ensure that clients are provided with products and services that are suitable for them, both at purchase and on an ongoing basis.

Outsource arrangements

The Company outsources certain operational activities to third party companies who are experts in their field, and provide such services to many of our competitors. We review the financial and operational stability of our third party outsourcing partners on a regular basis through the Operational Risk Committee, to ensure that service standards and financial stability requirements are met.

Tilney Investment Management Strategic report (continued)

Future developments

The Company is expecting to return to profit in future periods following completion of a number of initiatives that have led to one-off costs. Following the change of control to the Tilney Bestinvest group of companies the business has been able to achieve certain cost synergies.

The Company sees continued opportunities from the consolidation of assets of existing clients held with other advisers; continued momentum in the migration of advisory and execution-only clients into managed solutions; an increased presence in the Self-Invested Personal Pensions (SIPP) market; generation of new leads via digital marketing; introduction of Financial Planning to clients and referrals from existing clients.

Approval

Approved by the Board and signed on its behalf by:



D Reid

Director

24 April 2015

6 Chesterfield Gardens

London

W1J 5BQ

Tilney Investment Management Directors' report

The directors present their report and financial statements for the year ended 31 December 2014.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Dividends

The directors do not recommend payment of a final dividend (2013: £nil).

Directors

The directors, who served throughout the year except as noted, were as follows:

I Bennet	(resigned 1 August 2014)
M Hall	(resigned 1 August 2014)
P Hall	(appointed 1 August 2014)
J Norbury	
D Reid	(appointed 1 August 2014)
T Slocock	(resigned 1 August 2014)

Directors indemnities

The Company's ultimate parent company, Alexlux Sarl, has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

The Company conducts an Internal Capital Adequacy Assessment Process ("ICAAP"), as required by the Financial Conduct Authority ("FCA") for establishing the amount of regulatory capital to be held by the Company.

The Pillar II assessment of the ICAAP is the Board of Directors' opinion of the level of capital the company should hold to support the risks to which the Company is exposed, be they internal or external in origin. This takes into account the Company's Risk Register which is updated on a quarterly basis. The ICAAP is discussed and approved at a Bestinvest (Brokers) Limited's Board meeting at least annually.

Capital adequacy is monitored monthly by management. The Group complied with the FCA's regulatory requirements throughout the period.

'Pillar 3' disclosure Under Basel II

The European Capital Requirements Directive introduced consistent capital adequacy standards and an associated supervisory framework in the EU based on the Basel II rules. It is the application of the Capital Requirement Directive and Basel II to the firm that requires it to make a public disclosure of qualitative information and is designed to promote market discipline by providing market participants with key information on a firm's risk exposures and risk management processes. For details of the Company's unaudited Pillar 3 disclosures, required under the Financial Services Authority's Prudential Sourcebook for Investment Firms ("IFPRU") please visit the Tilney Bestinvest website at www.tilneybestinvest.co.uk.

Tilney Investment Management Directors' report (continued)

Auditor

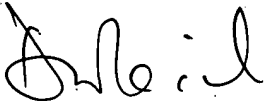
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed in office as auditor and a resolution to appoint them was approved on the Board of Directors' meeting, held on 1 August 2014.

Approved by the Board and signed on its behalf by:



D Reid

Director

24 April 2015

6 Chesterfield Gardens

Mayfair

London

W1J 5BQ

Tilney Investment Management Directors' responsibilities statement

The directors are responsible for preparing the Annual Report including 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 Financial Reporting Standard 101 Reduced Disclosure Framework. 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 accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Tilney Investment Management

We have audited the financial statements of Tilney Investment Management for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

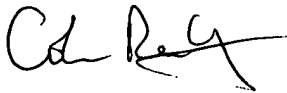
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Tilney Investment Management

Matters on which we are required to report by exception

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

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



Colin Rawlings, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

24 April 2015

Tilney Investment Management
Profit and loss account
For the year ended 31 December 2014

		Continuing operations 2014 £000	Discontinued operations 2014 £000	Total 2014 £000	Continuing operations 2013 £000	Discontinued operations 2013 £000	Total 2013 £000
Turnover	3	26,328	3,536	29,864	27,653	9,430	37,083
Cost of sales		(6,495)	-	(6,495)	(10,428)	-	(10,428)
Gross profit		19,833	3,536	23,369	17,225	9,430	26,655
Administrative expenses	4	(23,431)	(631)	(24,062)	(37,973)	(1,617)	(39,590)
Other operating expenses		(357)	-	(357)	-	-	-
Operating profit/(loss)		(3,955)	2,905	(1,050)	(20,748)	7,813	(12,935)
Interest receivable and similar income	7	71	-	71	57	-	57
Interest payable and similar charges	8	(531)	-	(531)	(700)	-	(700)
Profit/(loss) on ordinary activities before tax		(4,415)	2,905	(1,510)	(21,391)	7,813	(13,578)
Tax	9	(300)	-	(300)	202	-	202
Profit/(loss) for the financial year	4	(4,715)	2,905	(1,810)	(21,189)	7,813	(13,376)

Tilney Investment Management
Statement of comprehensive income
For the year ended 31 December 2014

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Loss for the year	(1,810)	(13,376)
Actuarial loss relating to the pension scheme	(930)	(4,334)
Deferred tax attributed to loss relating to the pension scheme	186	813
Total comprehensive income for the period attributable to the owners of the Company	(2,554)	(16,897)

Tilney Investment Management
Balance sheet
As at 31 December 2014

	Note	31 December 2014 £000	31 December 2013 £000	1 January 2013 £000
Fixed assets				
Intangible assets	11	-	-	5,839
Tangible fixed assets	12	1,541	-	-
		<u>1,541</u>	<u>-</u>	<u>5,839</u>
Current assets				
Debtors	13			
- due within one year		3,256	8,664	13,900
- due after one year		1,327	-	-
Cash at bank and in hand		33,616	36,258	22,387
Deferred tax asset	16	3,002	2,781	2,092
		<u>42,742</u>	<u>47,703</u>	<u>38,379</u>
Total assets		<u>42,742</u>	<u>47,703</u>	<u>38,379</u>
Creditors: Amounts falling due within one year:				
Trade and other payables	14	(9,108)	(12,157)	(4,253)
		<u>32,432</u>	<u>35,546</u>	<u>34,126</u>
Net current assets		<u>32,432</u>	<u>35,546</u>	<u>34,126</u>
Total assets less current liabilities		<u>33,973</u>	<u>35,546</u>	<u>39,965</u>
Creditors: Amounts falling due after more than one year:				
Provision for liabilities and charges	15	(956)	(7,628)	(6,693)
Pension liability	24	(12,397)	(12,387)	(8,844)
		<u>(22,461)</u>	<u>(32,172)</u>	<u>(19,790)</u>
Total liabilities		<u>(22,461)</u>	<u>(32,172)</u>	<u>(19,790)</u>
Net assets		<u>20,281</u>	<u>15,531</u>	<u>24,428</u>
Capital and reserves				
Called up share capital	17	12,304	5,000	2,807
Share premium	18	-	-	28,978
Profit and loss account	19	7,977	10,531	(7,357)
		<u>20,281</u>	<u>15,531</u>	<u>24,428</u>
Total shareholders' funds		<u>20,281</u>	<u>15,531</u>	<u>24,428</u>

Notes 1 to 25 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 24 April 2015.

They were signed on its behalf by:



D Reid
Director

Tilney Investment Management

Statement of changes in equity

	Share capital £000	Share premium £000	Profit and loss account £000	Total £000
Balance at 1 January 2013	2,807	28,978	(7,357)	24,428
Loss for the period	-	-	(13,376)	(13,376)
Actuarial loss relating to the pension scheme	-	-	(4,334)	(4,334)
Deferred tax attributed to actuarial loss	-	-	813	813
Total comprehensive income for the period	2,807	28,978	(24,254)	7,531
Issue of share capital	2,193	5,807	-	8,000
Reduction in share premium	-	(34,785)	34,785	-
Balance at 31 December 2013	5,000	-	10,531	15,531
Profit for the period	-	-	(1,810)	(1,810)
Actuarial loss relating to the pension scheme	-	-	(930)	(930)
Deferred tax attributed to actuarial loss	-	-	186	186
Total comprehensive income for the period	5,000	-	7,977	12,977
Issue of share capital	7,304	-	-	7,304
Balance at 31 December 2014	12,304	-	7,977	20,281

Tilney Investment Management

Notes to the financial statements

For the year ended 31 December 2014

1. General information

Tilney Investment Management (the “Company”) is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3. The nature of the Company’s operations and its principal activities are set out in the strategic report on pages 1 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

2. Significant accounting policies

Basis of accounting

The financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”).

From 1 January 2014 the financial statements continue to be presented in accordance with the provisions of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulation 2008 but have been prepared in accordance with FRS 101. This UK GAAP standard allows the use of EU-adopted International Financial Reporting Standards (“IFRS”) with reduced disclosures, where allowed, by the Companies Act and associated legislation. The date of transition to FRS 101 was 1 January 2013, which is the comparative period. The Company has chosen to adopt FRS 101 in advance of its effective date of 1 January 2015.

This is the first set of financial statements to be prepared by the Company in accordance with FRS 101. IFRS 1 First Time Adoption of International Financial Reporting Standards has been applied in preparing these financial statements. When preparing these financial statements, management has amended certain accounting and valuation methods applied in the previous UK GAAP financial statements to comply with IFRS and the comparative figures have been restated to reflect these adjustments. This transition is not considered to have had a material effect on the financial statements. Further detail is provided in note 25.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Disclosure exemption

The Company is included in the consolidated financial statements of Violin Bidco Limited, a company incorporated in the United Kingdom, whose consolidated financial statements are publicly available. Consequently, the Company has, in compliance with FRS 101, taken advantage of the exemption from preparing the following disclosures that would otherwise have been required by IFRS:

- IAS 7 – Presentation of a cash flow statement;
- IAS 8 – Disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 – Disclosure of key management personnel compensation and the disclosure of transactions with group companies; and
- IAS 16 and IAS 38 – Comparative information in respect of the reconciliation of net carrying value.

Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Tilney Investment Management

Notes to the financial statements (continued)

For the year ended 31 December 2014

2. Significant accounting policies (continued)

Going concern

The Company's business activities, together with financial risk management issues, are set out above as part of the strategic report.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

After making comprehensive enquiries and the analysis of financial forecasts prepared by management, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Turnover

Turnover represents commissions receivable and fees receivable for the provision of investment advice and investment management services. Commissions receivable includes estimates of amounts yet to be received at year end. Investment management fees receivable includes estimates of amounts contractually due from clients yet to be invoiced. Any commissions and distribution fees payable to third parties are presented as cost of sales.

Interest revenue

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Retirement benefit costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The Company participates in a group defined benefit scheme which is the legal responsibility of the ultimate parent as the sponsoring employer. There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 (Revised 2011), the Company recognises a cost equal to its contribution payable for the period, which is presented within other operating expenses in the profit and loss account.

Tilney Investment Management

Notes to the financial statements (continued)

For the year ended 31 December 2014

2. Significant accounting policies (continued)

Share-based payment

Prior to the acquisition by Tilney (Holdings) Limited in August 2014 the Company's ultimate parent company operated a share based payment incentive scheme for the benefit of its employees. The associated charges to profit or loss that relate to employees that provide services to the Company were recharged to the Company by its ultimate parent. Recharges related to share based payments were included within administrative expenses. The full disclosure relating to the share based payments are available in the Deutsche Bank AG report and accounts for the year ended 31 December 2014.

Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments / hedge accounting).

Operating leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

2. Significant accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Tangible fixed assets

Fixtures, fittings and computer equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Computer equipment	25% per annum straight-line
Fixtures and fittings	25% per annum straight-line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Other financial liabilities

Other financial liabilities, including borrowings, are measured at fair value, net of transaction costs.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

3. Turnover

An analysis of the company's turnover is as follows:

	Year ended 2014 £000	Year ended 2013 £000
Continuing operations		
Discretionary investment management	2,936	3,089
Advisory investment management	22,755	23,938
Execution only	380	400
Other	257	226
	<hr/>	<hr/>
Discontinued operations	26,328	27,653
London and Ultra High Net Worth	3,536	9,430
	<hr/>	<hr/>
	29,864	37,083
	<hr/>	<hr/>
Interest receivable and similar income (note 7)	71	57
	<hr/>	<hr/>
	29,935	37,140
	<hr/>	<hr/>

An analysis of the Company's turnover by class of business is set out below.

Turnover:

	Year ended 2014 £000	Year ended 2013 £000
Discretionary investment management	3,336	4,142
Advisory investment management	25,852	32,102
Execution only	432	536
Other	244	303
	<hr/>	<hr/>
	29,864	37,083
	<hr/>	<hr/>

4. Profit for the year

Profit for the year has been arrived at after charging/(crediting):

	Year ended 2014 £000	Year ended 2013 £000
Depreciation of tangible fixed assets:	357	-
Amortisation of intangible assets included in other operating expenses	-	877
Impairment of intangible assets	-	4,962
Staff costs (see note 6)	9,086	11,541
	<hr/>	<hr/>

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £65,000. The prior year auditors were KPMG Audit plc and their fees were £88,000.

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

6. Staff costs

The average monthly number of employees (including executive directors) was:

	Year ended 2014 Number	Year ended 2013 Number
Sales	85	82
Administration	61	59
	<u>146</u>	<u>141</u>

Their aggregate remuneration comprised:

	Year ended 2014 £000	Year ended 2013 £000
Wages and salaries	7,762	8,599
Social security costs	905	1,093
Other pension costs (see note 24)	419	1,849
	<u>9,086</u>	<u>11,541</u>

7. Interest receivable and similar income

	Year ended 2014 £000	Year ended 2013 £000
Interest receivable:		
Bank deposits	49	56
Other	22	1
Total interest receivable	<u>71</u>	<u>57</u>

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

8. Interest payable and similar charges

	Year ended 2014 £000	Year ended 2013 £000
Interest on pension liability	531	700
Total interest payable	531	700

9. Tax

	Year ended 2014 £000	Year ended 2013 £000
Corporation tax:		
UK corporation tax	-	(327)
Adjustments in respect of prior years		
- UK corporation tax	324	-
	324	(327)
Deferred tax (note 16):		
Origination and reversal of timing differences	(218)	129
Adjustment in respect of rate change	194	(4)
	300	(202)

Corporation tax is calculated at 21.49 per cent (2013: 23.25 per cent) of the estimated taxable profit for the year.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

9. Tax (continued)

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	Year ended 2014 £000	Year ended 2013 £000
Loss before tax	(1,510)	(13,578)
Tax credit on ordinary activities at standard rate 21.49% (2013: 23.25%)	(325)	(3,157)
Group relief not paid for	61	2,050
Non-deductible expenses	16	-
Non-deductible goodwill amortisation	-	918
Fixed asset timing difference	-	(28)
Other short term timing differences	30	(1)
Movement in pension liability	-	(109)
Current tax adjustments for prior periods	324	-
Adjustment in respect of rate change	194	-
Tax credit for the period	300	(327)

The Finance Act 2013, which was substantively enacted on 3 July 2013, includes provisions to reduce the rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015. These changes were substantively enacted prior to the Balance Sheet date and therefore are reflected in these financial statements.

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised in other comprehensive income:

	Year ended 2014 £000	Year ended 2013 £000
Deferred tax:		
Items that will not be reclassified subsequently to profit or loss:		
Movement in pension liability	(186)	(813)
Total income tax recognised in other comprehensive income	(186)	(813)

10. Discontinued operations

On 31 March 2014, the Company entered into a sale agreement to dispose of the London and Ultra High Net Worth classes of business. The principal activity of which was discretionary investment management. The disposal was effected in order to generate cash flow for the expansion of the company's other businesses. The disposal was completed on 6 June 2014, on which date control of the London and Ultra High Net Worth classes of business were passed to the acquirer.

The impact of the London and Ultra High Net Worth classes of business on the company's results in the current and prior periods is shown on the face of the profit and loss account.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

11. Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2013	18,345
Additions	-
	<hr/>
At 31 December 2013	18,345
Additions	-
	<hr/>
At 31 December 2014	<u>18,345</u>
Depreciation	
At 1 January 2013	12,506
Charge for the year	877
Impairment losses	4,962
	<hr/>
At 31 December 2013	18,345
Charge for the year	-
	<hr/>
At 31 December 2014	<u>-</u>
Net book value	
At 31 December 2014	<u>-</u>
	<hr/>
At 31 December 2013	<u>-</u>
	<hr/>
At 1 January 2013	<u>5,839</u>

Goodwill has arisen due to the purchase of the trade and assets of other businesses in prior years.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

12. Tangible fixed assets

	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost			
At 1 January 2013	-	-	-
At 31 December 2013	-	-	-
Additions	1,372	526	1,898
At 31 December 2014	1,372	526	1,898
Accumulated depreciation			
At 1 January 2013	-	-	-
At 31 December 2013	-	-	-
Charge for the year	357	-	357
At 31 December 2014	357	-	357
Carrying amount			
At 31 December 2014	1,015	526	1,541
At 31 December 2013	-	-	-
At 1 January 2013	-	-	-

13. Debtors

	31 December 2014 £000	31 December 2013 £000	1 January 2013 £000
Amounts falling due within one year:			
Trade debtors	-	327	2,734
Amounts owed by group undertakings	1,077	5,649	7,196
Other debtors	1,589	2,688	3,936
Prepayments and accrued income	590	-	34
	3,256	8,664	13,900
Amounts falling due after more than one year:			
Other debtors	1,327	-	-

Included in amounts falling due after more than one year is a loan to a director for £75,000.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

14. Trade and other payables

	31 December 2014 £000	31 December 2013 £000	1 January 2013 £000
Amounts falling due within one year:			
Trade creditors and accruals	88	-	-
Amounts owed to group undertakings	2,006	4,833	2,867
Other taxes and social security	1,366	-	-
Other creditors	1,314	1,494	709
Accruals and deferred income	4,334	5,830	677
	<u>9,108</u>	<u>12,157</u>	<u>4,253</u>

15. Provisions

	Client Redress provision £000	FSCS Levy £000	Total £000
At 1 January 2013	6,417	276	6,693
Charged to profit and loss account	9,164	-	9,164
Released unused	(1,969)	-	(1,969)
Utilisation of provision	(5,984)	(276)	(6,260)
	<u>7,628</u>	<u>-</u>	<u>7,628</u>
At 31 December 2013	7,628	-	7,628
Charged to profit and loss account	(8,702)	-	(8,702)
Charged to other comprehensive income	-	-	-
Released unused	(1,075)	-	(1,075)
Utilisation of provision	3,105	-	3,105
	<u>956</u>	<u>-</u>	<u>956</u>
At 31 December 2014	956	-	956

Client Redress provision

A provision of £956,000 (2013: £7,628,000) has been recognised for compensation and redress costs. It is expected that most of the related expenditure will be incurred during 2015, and all will be incurred within two years of the balance sheet date. The provision is based on management's best estimate using the latest available information and is subject to regular review to take account of additional information.

Provision for FSCS Levy

The UK Financial Services Compensation Scheme (FSCS), the UK's statutory fund of last resort, provides compensation to customers of UK authorised financial institutions in the event that an institution which is a participating member of the FSCS is unable or is likely to be unable, to pay claims against it. The FSCS raises annual levies from participating members to meet its management expenses and compensation costs. Individual participating members make payments based on their level of participation as at 31 December of the year preceding the scheme year.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

16. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation £000	Retirement benefit obligation £000	Tax losses £000	Total £000
At 1 January 2013	155	1,937	-	2,092
Effect of tax rate change	4	-	-	4
Charge to profit or loss	(41)	(88)	-	(129)
Movements within pension liability	-	1	-	1
Charge to other comprehensive income	-	813	-	813
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	118	2,663	-	2,781
Adjustment in respect of prior period	-	11	-	11
Adjustment in respect of tax rate change	(8)	(186)	-	(194)
Charge/(credit) to profit or loss	2	(195)	411	218
Charge to other comprehensive income	-	186	-	186
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	112	2,479	411	3,002
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	31 December 2014 £000	31 December 2013 £000	1 January 2013 £000
Deferred tax liabilities	-	-	-
Deferred tax assets	3,002	2,781	2,092
	<hr/>	<hr/>	<hr/>
	3,002	2,781	2,092
	<hr/>	<hr/>	<hr/>

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

17. Share capital

	31 December 2014 £000	31 December 2013 £000	1 January 2013 £000
Authorised, Issued and fully paid: 12,304,000 ordinary shares of £1 each	<u>12,304</u>	<u>5,000</u>	<u>2,807</u>

The Company has one class of ordinary shares which carry no right to fixed income.

During the year, the company allotted 7,304,000 ordinary shares with a nominal value of £7,304,000 in connection with its acquisition by Tilney (Holdings) Limited.

18. Share premium account

	£000
Balance at 1 January 2013	28,978
Issue of shares	5,807
Cancellation of share premium	(34,785)
Balance at 31 December 2013	<u>-</u>
Balance at 31 December 2014	<u>-</u>

19. Profit and loss account

	£000
Balance at 1 January 2013	(7,357)
Net loss for the year	(13,376)
Actuarial loss relating to pension scheme	(4,334)
Deferred tax attributed to actuarial loss	813
Cancellation of share premium	34,785
Balance at 31 December 2013	<u>10,531</u>
Net loss for the year	(1,810)
Other comprehensive income	(744)
Balance at 31 December 2014	<u>7,977</u>

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

20. Contingent liabilities

Due to the nature of the business, from time to time the Company receives complaints from clients which may result in financial compensation being paid. The Company reviews all complaints it receives and as at 31 December 2014, the Board does not consider that any provision is required in respect of this issue beyond what is already reflected in these financial statements. The arrangements put in place by the FSCS to protect investors from loss in the event of failure of financial institutions have resulted in significant levies on the industry in recent years. The financial impact of unexpected FSCS levies are largely out of the Company's control as they result from other industry failures. There is significant uncertainty over the level of future FSCS levies as they depend on the ultimate cost to the FSCS of industry failures. The Company recognises levy costs for future levy years when the obligation arises.

In the ordinary course of business the Company has given letters of indemnity in respect of lost certified stock transfers and share certificates. The contingent liability arising there from cannot be quantified.

21. Operating lease arrangements

The company as lessee

	Year ended 2014 £000	Year ended 2013 £000
Lease payments under operating leases recognised as an expense in the year	993	993

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2014 £000	2013 £000	2012 £000
Within one year	1,025	993	993
In the second to fifth years inclusive	4,060	4,101	4,069
After five years	4,914	5,898	6,923
	<u>9,999</u>	<u>10,992</u>	<u>11,985</u>

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of eight years and rentals are fixed for an average of five years.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

22. Related party transactions

The directors' remuneration, analysed under the headings required by company law is set out below.

	Year ended 2014 £000	Year ended 2013 £000
Directors' remuneration		
Emoluments	420	632
Amounts receivable (other than shares and share options) under long-term incentive schemes	324	211
Company contributions to money purchase pension schemes	6	40
	<u>750</u>	<u>883</u>

	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	2	3
Had awards receivable in the form of shares in the parent company under a long-term incentive scheme	3	2
	<u> </u>	<u> </u>

	Year ended 2014 £000	Year ended 2013 £000
Remuneration of the highest paid director:		
Emoluments and amounts receivable under long term incentive schemes	453	450
Money purchase pension scheme	2	15
	<u>455</u>	<u>465</u>

23. Controlling party

In the opinion of the directors, the company's ultimate parent company and ultimate controlling party at 31st December 2014 is Alexlux Sarl, a company incorporated in Luxembourg. The parent undertaking of the smallest such group is Tilney (Holdings) Limited, a company incorporated in the United Kingdom. Violin Bidco Limited is the parent undertaking of the largest and smallest group for which group financial statements are produced. Copies of the group accounts of that company are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Up until 1st August 2014 the company's ultimate parent company and ultimate controlling party was Deutsche Bank AG, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany. Copies of the group financial statements prepared in respect of Deutsche Bank AG may be obtained from the Company Secretary, Deutsche Bank, London branch, Winchester House, 1 Winchester Street, London, EC2N

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

24. Retirement benefit schemes

Defined benefit schemes

The Company operates a final salary defined benefit pension scheme in the UK. The Pension Fund is an HMRC registered pension scheme and is subject to standard UK pensions and tax law. Details of the benefits provided by the Pension Fund are set out in the Trust Deed and Rules dated 18 March 2011.

The disclosures in these accounts below are based on calculations carried out as at 31 December 2014 by a qualified independent actuary.

The Pension Fund's assets are held in a separate trustee-administered fund to meet long-term pension liabilities to beneficiaries. The Trustees of the Pension Fund are required to act in the best interest of the beneficiaries. The appointment of Trustees is determined by the trust documentation.

The Trustees of the Pension Fund invest the assets in line with the Statement of Investment Principles. The Statement of Investment Principles has been established taking into consideration the liabilities of the Pension Fund and the investment risk that the Trustees are willing to accept.

Under the Scheme Funding regime introduced by the Pensions Act 2004, the Trustees are required to carry out regular scheme funding valuations of the Pension Fund and establish a schedule of contributions and a recovery plan when there is a shortfall in the Pension Fund. The recovery plan details the amount and timing of the contributions required to eliminate the shortfall in the Pension Fund. Scheme funding valuations are carried out at least every three years. Approximate funding updates are produced annually in years where a full scheme funding valuation is not being completed.

At each scheme funding valuation, the present value of the contributions detailed in the current recovery plan is compared with any shortfall revealed. Where the contributions under the current recovery plan are no longer sufficient to remove the shortfall by the end of period specified in the recovery plan a new recovery plan will need to be agreed between the Trustees and the Company. Options include increasing contributions due from the employer, extending the recovery period with additional contributions paid after the expiry of the current recovery period or some combination of the two. The affordability to the employer of any increase in contributions is a primary factor in the agreement of any new recovery plan. Where the contributions are more than sufficient to remove the shortfall by the end of the recovery period, options include reducing contributions due, keeping the recovery period the same, or shortening the recovery period.

As at 31 December 2014, contributions are payable to the Pension Fund at the rates specified in the Schedule of Contributions signed by the Company and the Trustees on 16 December 2014.

The balance sheet calculations are the result of a valuation exercise and the projected profit and loss figures are the result of a planning exercise.

The defined benefit pension scheme exposes the company to actuarial risks, such as longevity risk, interest rate risk, salary risk, market (investment) risk and currency risk.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

24. Retirement benefit schemes (continued)

Principal assumptions

The principal actuarial assumptions at the balance sheet date were:

	At 31 December 2014	At 31 December 2013
Discount rate	3.60% pa	4.50% pa
RPI Inflation	3.20% pa	3.70% pa
CPI Inflation	2.30% pa	2.80% pa
Rate of increase in salaries	3.20% pa	3.70% pa
Rate of increase in pensions in payment		
RPI(max 5.0%)	3.10%	3.70%
Pre-retirement mortality	S2PxA light CMI 2014 with long term improvement of 1.25% pa (110% rating for males, no rating for females)	AxC00 Ultimate
Post retirement mortality	S2PxA light CMI 2014 with long term improvement of 1.25% pa (110% rating for males, no rating for females)	S1PxA light CMI 2013 with long term improvement of 1.25% pa (105% rating for males, no rating for females)
Withdrawals	Age related scale	Age related scale
Cash commutation	50% of maximum tax free cash	50% of maximum tax free cash
Life expectancy of male aged 65 now	22.70	23.60
Life expectancy of male aged 65 in 20 years	24.30	25.30
Life expectancy of female aged 65 now	24.60	25.20
Life expectancy of female aged 65 in 20 years	26.40	27.00

For the avoidance of doubt the above assumptions are in absolute terms

Asset breakdown

The major categories of the Scheme assets are:

	At 31 December 2014	At 31 December 2013
Equities	15.9%	17.0%
Corporate Bonds	39.0%	37.9%
UK Index Linked	42.9%	37.9%
Cash	2.2%	7.2%
Total	100.00%	100.00%

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

24. Retirement benefit schemes (continued)

Net defined benefit asset/(liability)

	At 31 December 2014	At 31 December 2013
	£'000	£'000
Fair value of Scheme assets	39,045	33,784
Present value of defined benefit obligation	45,396	46,171
Surplus/(Deficit)	(6,351)	(12,387)
Reimbursement rights recognised as an asset	0	0
Net defined benefit asset/(liability) before consideration of minimum funding requirement	(6,351)	(12,387)
Effect of asset ceiling limit	(6,046)	0
Net defined benefit asset/(liability) before tax	(12,397)	(12,387)
Related deferred tax asset	2,479	2,672
Net defined benefit asset/(liability)	(9,918)	(9,715)

Development of net defined benefit asset/(liability)

	At 31 December 2014	At 31 December 2013
	£000's	£000's
*Net defined benefit asset/(liability)	(12,387)	(8,844)
Net periodic benefit cost	(637)	(561)
Employer contributions	1,557	1,671
Remeasurements of the net defined benefit asset/(liability)	5,116	(4,653)
Change in the effect of the asset ceiling	(6,046)	0
Net defined benefit asset/(liability)	(12,397)	(12,387)

**After effect of asset ceiling limit*

Reconciliation of asset ceiling

	At 31 December 2014	At 31 December 2013
	£000's	£000's
Opening asset ceiling	0	0
Interest income on asset ceiling	0	0
Change in asset ceiling	(6,046)	0
Closing asset ceiling	(6,046)	0

Total expense recognised in profit or loss

	At 31 December 2014	At 31 December 2013
	£000's	£000's
Current service cost	106	180
Net interest on the net defined benefit liability/(asset)	531	381
Past service cost (including curtailments)	0	0
Losses/(gains) on settlements	0	0
Total	637	561

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

24. Retirement benefit schemes (continued)

Movements in present value of defined benefit obligation

	At 31 December 2014	At 31 December 2013
	£000's	£000's
Opening present value of defined benefit obligation	46,171	41,155
Current service cost	106	180
Contributions by members	28	42
Interest cost	2,049	1,874
Actuarial (gains) and losses from changes in demographic assumptions	(1,900)	(205)
Actuarial (gains) and losses from changes in financial assumptions	3,172	4,274
Changes due to experience adjustments	(1,864)	(56)
Settlement	0	0
Liabilities assumed in a business combination	0	0
Past service cost including curtailments	0	0
Exchange adjustments	0	0
Benefits paid	(2,366)	(1,093)
Benefits paid in respect of settlements	0	0
Closing defined benefit obligation	45,396	46,171

Movements in fair value of Scheme assets

	At 31 December 2014	At 31 December 2013
	£000's	£000's
Opening fair value of Scheme assets	33,784	32,311
Interest income	1,518	1,493
Remeasurement: return on Scheme assets less interest income	4,524	(640)
Assets distributed on settlements	0	0
Contributions by employer	1,557	1,671
Contributions by members	28	42
Assets acquired in business combination	0	0
Exchange adjustments	0	0
Benefits paid	(2,366)	(1,093)
Closing fair value of Scheme assets	39,045	33,784

Reconciliation of reimbursement rights recognised as an assets

	At 31 December 2014	At 31 December 2013
	£000's	£000's
Opening fair value of reimbursement rights	0	0
Interest income on reimbursement rights	0	0
Return on reimbursement rights less interest income	0	0
Reimbursements received	0	0
Closing fair value of reimbursement rights	0	0

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

24. Retirement benefit schemes (continued)

Statement of amount recognised in other comprehensive income

	At 31 December 2014 £000's	At 31 December 2013 £000's
(Gain)/loss from changes in the financial assumptions for value of Scheme liabilities	3,172	4,274
(Gain)/loss from changes in the demographic assumptions for value of Scheme liabilities	(1,900)	(205)
Changes due to experience adjustments	(1,864)	(56)
Return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset)	(4,524)	640
Change in the effect of the asset ceiling	6,046	0
Other comprehensive income	930	4,334

Statement of amount recognised in profit and loss and other comprehensive income

	At 31 December 2014 £000's	At 31 December 2013 £000's
Amount recognised in profit and loss	637	561
Other comprehensive income	930	4,334
Total comprehensive income	1,567	5,214
Net income recognised directly in equity	(1,567)	(5,214)

Sensitivity of Defined Benefit Obligation at 31 December 2014

The results of the calculations are sensitive to the assumptions used.

The table below illustrates the sensitivity of the FRS101 defined benefit obligation to small changes in some of the assumptions. Where one assumption has been changed all the other assumptions are kept the same as disclosed above.

	Increase in disclosed defined benefit obligation £000's
Discount rate less 0.1% pa	1,009
RPI inflation and linked assumptions plus 0.1% pa	875
Members living one year longer than assumed	1,563

Projected profit/loss recognition to 31 December 2015

Because of the significant volatility in investment markets, it is difficult to project forward the FRS101 figures for the next year with confidence. The following projections should therefore be treated with caution. Assumptions implicit in the following projections are:

- The interest on the defined benefit liability/(asset) at 31 December 2014 is 3.60% pa.
- Expenses will remain at the same level as in the 31 December 2014 disclosures.
- Contributions to the Scheme will continue throughout the period in accordance with the current Schedule of Contributions in place as at the date of signing this report.
- There will be no changes to the terms of the Scheme.

Tilney Investment Management
Notes to the financial statements (continued)
For the year ended 31 December 2014

24. Retirement benefit schemes (continued)

Total expense recognised in profit or loss

	At 31 December 2015
	£000's
Current Service Cost	105
Net interest on the net defined benefit liability/(asset)	138
Past Service Cost (including curtailments)	0
Losses (gains) on settlements	0
Total	243

25. Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101 issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under UK GAAP were for the year ended 31 December 2013 and the date of transition to FRS 101 was therefore 1 January 2013.

Reconciliation of equity

	At 1 January 2013 £000	At 31 December 2013 £000
Equity reported under previous UK GAAP	24,428	15,531
Equity reported under FRS 101	24,428	15,531