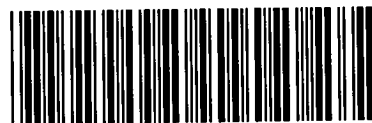


Veritas Investment Management (UK) Limited

Report and Financial Statements

For the year ended 31 January 2019

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COMPANIES HOUSE

Directors

R J Grant
S W Newton
M G Rayward

Secretary

Jordan Company Secretaries Limited

Auditors

BDO LLP
150 Aldersgate Street
London EC1A 4AB

Bankers

Bank of Scotland plc
London Chief Office Branch
PO Box 1000
Edinburgh BX2 1LB

Solicitors

Dickson Minto W S
Royal London House
22-25 Finsbury Square
London EC2A 1DX

Registered Office

1st Floor
90 Long Acre
London WC2E 9RA

Registered No. 03132257

Strategic report

The directors present their report and the financial statements of Veritas Investment Management (UK) Limited ("the company") for the year ended 31 January 2019.

Review of the business

The directors consider the key performance indicators to be turnover and profit. The turnover for the year amounted to £3,955,881 (2018 - £5,180,374) and the profit for the year after taxation amounted to £3,392,418 (2018: £4,372,706).

The decrease in profit relative to the prior year is attributable to a decrease in profit allocation that the company received from Veritas Investment Management LLP during the year.

On 17 April 2018 a dividend of £4,300,000 (2018: £2,097,668) was declared, representing the final dividends recommended by the directors for the year ended 31 January 2019.

Future developments

Going forward the company will continue to act as the holding company for the investment management business of Veritas Investment Management group ("the group"). There are currently two operating entities within the group, Veritas Investment Management LLP and Veritas Investment Management AG.

Principal risks and uncertainties

As an investment holding entity, the risks of the company are linked with the risks of its affiliates that perform investment management activities on behalf of the group.

The principal risk affecting the company is the performance of the funds under the management of Veritas Investment Management LLP and Veritas Investment Management AG, its' subsidiary undertakings and source of future revenue. Other risks affecting the company remain investment/market performance, client service, regulation and oversight of outsourced service providers. The immediate risk to the company is the decline in revenues that would arise from a loss of assets under management as well as the potential increases in cost associated with any remediation of regulatory problems or other operational errors. The company is highly aware of its key risks and focused on their management in all areas.

Impact of Brexit

The company has assessed the longer term prospects of the company against the background of UK's Brexit decision, including:

Investment management and advisory services

The company has reviewed its subsidiary undertakings client base and the number of EU clients are insignificant in terms of number and volume of managed funds. The group does not intend to set up EU regulated operations.

The company's subsidiary undertakings Veritas Investment Management LLP manages a Luxembourg based investment fund which was launched recently. The company considers however that any impact on its revenues in the near to medium term will not be significant.

Outsourced service providers

The company has not outsourced any of its key services to EU suppliers and is satisfied that all of its key outsourcing providers will continue to provide services to the company without any interruption.

Staffing

A review of present and future staffing requirements of the company's subsidiary undertakings confirms that there is unlikely to be any impact to the company from leaving the EU.

Currency Risk

While the company's subsidiary undertakings cost base is denominated primarily in GBP, its revenues are earned from managed investments which primarily comprise non-GBP assets.

The company does not consider the impact from any possible devaluation in GBP as a result of Brexit to be detrimental to its financial position.

Strategic report

Impact of Brexit (continued)

Financial Budgeting and Planning

In preparing the budget for the following year and the long term plan, the company has reviewed the main financial assumptions used, namely; volumes of assets under management, revenues earned from management activities, overheads and taxation.

Because of the nature of its subsidiary undertakings clients, its UK and Swiss based operations and its global investment approach, the company assumes that there will be no significant negative impact from Brexit on the financial results.

Regulatory Regime

The company's subsidiary undertaking Veritas Investment Management LLP is a UK regulated firm, authorised to provide investment management and advisory services. This will remain the case in all Brexit scenarios.

As a result of its review, the company considers that it will be able to maintain its planned level of profitability, capital and cashflow generation going forward.

On behalf of the Board



Mark Rayward
Director

Date 16 April 2019

Directors' report

The directors present their report and the financial statements of Veritas Investment Management (UK) Limited ("the company") for the year ended 31 January 2019.

Principal activities

The principal activity of the company in the year under review was that of a Designated Member and investor in Veritas Investment Management LLP, an affiliated entity that conducts investment management activities. The company also owns 100% of the share capital of Veritas Investment Management AG, an entity domiciled in Switzerland that performs investment management activities.

Directors

The directors who served the company during the year and up to the date of this report were as follows:

R J Grant
S W Newton
M G Rayward

Political and charitable contributions

During the period the company made no donations (2018: £nil).

Going concern

The company's business activity, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the company and its liquidity position are reflected on the statement of financial position.

As an investment holding entity, the company is dependent on its affiliates for revenue.

The directors believe that the company is well placed to manage its business risk successfully. 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 of accounting in preparing the annual financial statements.

Disclosure of information to the auditors

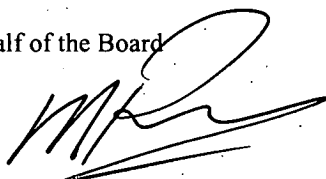
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditors and the members have appointed BDO LLP as auditors in their place.

A resolution to reappoint BDO LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Mark Rayward
Director

Date 16 April 2019

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Veritas Investment Management (UK) Limited

Opinion

We have audited the financial statements of Veritas Investment Management (UK) Limited (the 'company') for the year ended 31 January 2019 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited companies.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report

to the members of Veritas Investment Management (UK) Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited companies 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report

to the members of Veritas Investment Management (UK) Limited

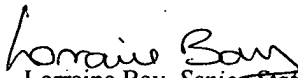
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited companies. 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.



Lorraine Bay, *Senior Statutory Auditor*

For and on behalf of BDO LLP, Statutory Auditor

150 Aldersgate Street

London

EC1A 4AB

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

17 April 2019

Statement of comprehensive income

For the year ended 31 January 2019

	Notes	2019 £	2018 £
Turnover	2	3,955,881	5,180,374
Administrative expenses		(5,943)	(6,092)
Operating profit	3	3,949,938	5,174,282
Interest payable and similar charges	4	(9)	(29)
Profit on ordinary activities before taxation		3,949,929	5,174,253
Tax	5	(557,511)	(801,547)
Profit for the financial year		3,392,418	4,372,706
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>3,392,418</u>	<u>4,372,706</u>

All amounts relate to continuing activities.

The accompanying notes 1 to 14 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 January 2019

	<i>Called-up share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£
At 1 February 2017	2,100,000	2,097,668	4,197,668
Profit for the year	-	4,372,706	4,372,706
Dividends	-	(2,097,668)	(2,097,668)
At 31 January 2018	2,100,000	4,372,706	6,472,706
Profit for the year	-	3,392,418	3,392,418
Dividends	-	(4,300,000)	(4,300,000)
At 31 January 2019	2,100,000	3,465,124	5,565,124

On 17 April 2018 a dividend of £4,300,000 (2018: £2,097,668) was declared.

The accompanying notes 1 to 14 form an integral part of these financial statements.

Statement of financial position

As at 31 January 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	7	<u>2,311,426</u>	<u>2,311,426</u>
		<u>2,311,426</u>	<u>2,311,426</u>
Current assets			
Debtors	8	3,036,663	4,209,256
Cash at bank and in hand		<u>349,730</u>	<u>255,339</u>
		3,386,393	4,464,595
Creditors: amounts falling due within one year	9	<u>132,695</u>	<u>303,315</u>
Net current assets		<u>3,253,698</u>	<u>4,161,280</u>
Total assets less current liabilities		<u>5,565,124</u>	<u>6,472,706</u>
Net assets		<u>5,565,124</u>	<u>6,472,706</u>
Capital and reserves			
Called up share capital	11	2,100,000	2,100,000
Profit and loss account		<u>3,465,124</u>	<u>4,372,706</u>
Total capital and reserves		<u>5,565,124</u>	<u>6,472,706</u>

The financial statements were approved by the board of directors on 16 April 2019 and signed on its behalf by:



Mark Rayward
Director

Registered number: 03132257

The accompanying notes 1 to 14 form an integral part of the financial statements.

Notes to the financial statements

at 31 January 2019

1. Accounting policies

Statement of compliance

Veritas Investment Management (UK) Ltd is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business of the company is 1st Floor, 90 Long Acre, London, WC2E 9RA.

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with the requirements of the Companies Act 2006 and FRS 102 as it applies to these financial statements of the company for the year ended 31 January 2019.

Investments

Investments in subsidiaries are held as fixed assets and stated at cost less provision for any impairment in value. The company has taken advantage of the exemption of Companies Act 2006 section 400, from preparing consolidated financial statements as it is part of larger group that prepares consolidated financial statements, which are publically available.

Turnover

Turnover represents profit allocations and dividends from subsidiary undertakings and is recognised on an accruals basis when formally declared.

Financial Reporting Standard 102 – Reduced Disclosure Exemptions

The company has taken advantage of the following disclosure exemptions in preparing the financial statements as permitted by FRS 102:

- The requirements of section 7 Statement of Cash Flows
- The requirements of section 33 Related Party Disclosures paragraph 33.7

The information is included in the publicly available consolidated financial statements of the parent company Veritas Investment Partners Limited.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors

Short term debtors are measured at fair value on initial recognition. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Creditors

Short term creditors are measured at the transaction price, and are subsequently measured at amortised cost, using the effective interest rate method.

Taxation

United Kingdom corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the statement of financial position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Notes to the financial statements

at 31 January 2019

1. Accounting policies (continued)

Foreign currencies

The individual financial statements of the company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the financial statements, the results and financial position of the company are expressed in Sterling, which is the functional currency of the company and the presentation currency for the financial statements.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken to the income statement.

Administrative expenses

All expenses are recognised at the transaction price in the income statement in the period to which they relate.

Judgements and key sources of estimation uncertainty

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

The directors have not been required to apply any significant judgements in preparing the financial statements and are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3. Operating profit

The Directors of the company did not receive any remuneration for the services provided to the company during the year. Certain Directors each receive remuneration from an affiliated entity. It is not considered possible to allocate a portion of the overall remuneration received by individuals to services provided to the company.

The company has no employees, all administrative support services are provided by an affiliate of the company and the costs associated to these services are not recharged.

The audit fee for the company for the year was £3,307 (2018: £3,150). The auditors received £2,130 in respect of taxation services during the period (2018: £2,805).

4. Interest payable and similar charges

	2019	2018
	£	£
Bank interest payable	9	29

Notes to the financial statements

at 31 January 2019

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax on the profit for the year	557,482	801,587
Under/(Over) provision in prior years	29	(40)
Total tax on profit on ordinary activities (note 5(b))	557,511	801,547

(b) Factors affecting tax charge for the year

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19% (2018 – 19.16%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	3,949,929	5,174,253
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19.16%)	750,487	991,472
<i>Effects of:</i>		
Non-taxable expenses not deductible for tax purposes	4,950	15,322
Non-taxable foreign income	(174,633)	(185,778)
Loss surrendered by Veritas Investment Partnership Limited	(23,322)	(18,674)
Other	-	(755)
Under/(Over) provision in prior years	29	(40)
Total tax for the period (note 5(a))	557,511	801,547

6. Dividends

	2019	2018
	£	£
Interim and final 17 April 2018 [2.3p (2018: 1.1p) per B share]	4,300,000	2,097,668
	4,300,000	2,097,668

Notes to the financial statements

at 31 January 2019

7. Investments

Investment in
subsidiaries

£

At 1 February 2018 and 31 January 2019

2,311,426

As at 31 January 2019 the company held the following investments:

	<i>Country of incorporation</i>	<i>Nature of business:</i>	<i>Class of shares:</i>	<i>% holding</i>	<i>Net assets at 31 January 2019</i>	<i>Profit/(Loss) at 31 January 2019</i>
Veritas Investment Management AG	Switzerland	Asset management	Ordinary	100	1,447,792	227,408
Veritas Investment Management LLP	UK	Asset management	Member's capital	99	7,442,461	-

The registered address of Veritas Investment Management AG is Genferstrasse 21, 8002 Zürich, Switzerland and the registered address of Veritas Investment Management LLP is 1st Floor, 90 Long Acre, London. WC2E 9RA.

8. Debtors

	<i>2019</i>	<i>2018</i>
	<i>£</i>	<i>£</i>
Amounts owed by group undertakings	3,036,663	4,209,256
	<u>3,036,663</u>	<u>4,209,256</u>

9. Creditors: amounts falling due within one year

	<i>2019</i>	<i>2018</i>
	<i>£</i>	<i>£</i>
Corporation Tax	127,258	297,960
Accruals	5,437	5,355
	<u>132,695</u>	<u>303,315</u>

Notes to the financial statements

at 31 January 2019

10. Financial assets and liabilities

The carrying value of the LLP's financial assets and liabilities are summarised by category below:

Financial assets

	2019 £	2018 £
Financial assets measured that are debt instruments measured at amortised cost		
Amounts owed by group undertakings	3,036,663	4,209,256
Cash	349,730	255,339
	<u>3,386,393</u>	<u>4,464,595</u>

Financial liabilities

	2019 £	2018 £
Financial liabilities measured at amortised cost		
Accruals	5,437	5,355
	<u>5,437</u>	<u>5,355</u>

11. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	2019 £	<i>No.</i>	2018 £
A ordinary share capital £1 each	262,500	262,500	262,500	262,500
B ordinary share capital £1 each	1,837,500	1,837,500	1,837,500	1,837,500
		<u>2,100,000</u>		<u>2,100,000</u>

Both share classes carry the same voting capital and income rights.

12. Financial commitments

At 31 January 2019 the company had no financial commitments or other contingent liabilities.

Notes to the financial statements

at 31 January 2019

13. Related party transactions

Certain directors of the company are also members of Veritas Investment Management LLP (VIM LLP). On 31 January 2019 VIM LLP allocated profits of £3,036,553 (2018: £4,209,256) to the company. At the year end, there was a balance due from VIM LLP of £3,036,553 (2018: £4,209,256). The company has a group VAT arrangement in which VIM LLP settles any VAT due for the group. At the year end, £110 (2018: £nil) was owed by VIM LLP.

Certain directors of the company are also directors of Veritas Investment Management AG (VAG). On 12 April 2018, the company received dividends of £918,118 (2018: £969,532) from VAG.

Certain directors of the company are also directors of Veritas Investment Partners Limited (VIPL). During the year to 31 January 2019, the company did not trade with VIPL. On 27 April 2018, the company paid dividends of £4,300,000 (2018: £2,097,668) to VIPL. At the year end, there was a balance of £nil (2018: £nil) due to VIPL.

14. Ultimate parent undertaking and controlling party

Veritas Investment Partners Limited, a company incorporated in the United Kingdom, is the ultimate parent undertaking of the company. Copies of its consolidated financial statements can be obtained from 1st Floor, 90 Long Acre, London. WC2E 9RA.