

**Company Registration No. 3268027**

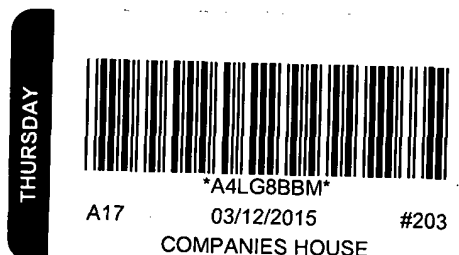
**CLOSE PORTFOLIO MANAGEMENT LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 July 2015**

**Registered Office:**

**10 Crown Place  
London  
EC2A 4FT**



## **CLOSE PORTFOLIO MANAGEMENT LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015**

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## CLOSE PORTFOLIO MANAGEMENT LIMITED

### DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2015.

This directors report has been prepared in accordance with the special provisions relating to small companies under section 415(A) of the Companies Act 2006. The Company has not prepared a strategic report because it is entitled to the small companies exemption in accordance with section 414(B) of the Companies Act 2006

### BUSINESS REVIEW AND PRINCIPAL ACTIVITY

Close Portfolio Management Ltd ("the Company") is a wholly-owned subsidiary of Close Brothers Group plc ("CBG") and operates as part of CBG's Asset Management division. The Company is incorporated in the United Kingdom and registered in England and Wales.

The Company's principal activity is to hold a portfolio of unlisted securities.

There have not been any significant changes in the Company's principal activities during the year. The directors are not aware of any likely major changes in the Company's activities in the next year.

The profit and loss account on page 5 shows that in the year ended 31 July 2015 the Company made a profit before taxation of £315,000 (2014: £485,000). The balance sheet on page 6 shows that the Company's financial position at the year end remains satisfactory.

CBG manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of its development, performance or position. The performance of CBG's Asset Management division is presented in its Annual Report which does not form part of this report.

### GOING CONCERN

Based on the financial position as shown in the balance sheet on page 6, 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 financial statements.

### PRINCIPAL RISKS AND UNCERTAINTIES

In relation to its principal activities, the Company faces the following risks and uncertainties:

#### Credit

The Company's principal financial assets are amounts due from its immediate parent undertaking, Close Asset Management Holdings Ltd, a credit worthy counterparty. Credit risk on bank balances is limited since the Company's sole banker is subject to majority ownership and control by the UK Government.

The Company also falls under CBG's Risk Management Framework. Pillar 3 disclosures for CBG are available on the Investor Relations page at [www.closebrothers.com](http://www.closebrothers.com). In addition Group risks are discussed in CBG's Annual Report.

### FUTURE DEVELOPMENTS IN THE BUSINESS

The directors expect the general level of activity in the forthcoming year to remain broadly consistent with this year.

### EMPLOYEES

The Company has no employees (2014: none). A contractual arrangement with Close Asset Management Holdings Limited ("CAMHL") provides for the provision of CAMHL's staff to undertake the various activities of the Company.

### DIVIDENDS

No interim dividend was paid during the year (2014: none paid). No final dividend is proposed (2014: £nil).

**DIRECTORS' REPORT (continued)**

**DIRECTORS**

The directors of the Company who served during the year and to the date of this report are listed below:

M Andrew  
E B Davis

**COMPANY SECRETARY**

The company secretary, J Smith, served throughout the year and to the date of this report.

**DIRECTORS INDEMNITIES**

The Company 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.

**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 ought to have taken as a director in order to make himself 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 has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



**E B Davis**  
**Director**  
16 September 2015

## CLOSE PORTFOLIO MANAGEMENT LIMITED

### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 being 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 to 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 CLOSE PORTFOLIO MANAGEMENT LIMITED**

We have audited the financial statements of Close Portfolio Management Limited for the year ended 31 July 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 July 2015 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Stuart McLaren (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
16 September 2015

## CLOSE PORTFOLIO MANAGEMENT LIMITED

### PROFIT AND LOSS ACCOUNT Year ended 31 July 2015

	Notes	2015 £'000	2014 £'000
Income from fixed asset investments	6	315	464
Profit on disposal of fixed asset investments		-	21
Operating profit on ordinary activities before taxation	2	315	485
Tax charge on profit on ordinary activities	4	(17)	(22)
Profit on ordinary activities after taxation		298	463

All activities derive from continuing operations.

There were no recognised gains or losses other than the profit attributable to shareholders disclosed in the above profit and loss account for the current and preceding year, and, accordingly a statement of total recognised gains and losses has not been provided.

The notes on pages 7 to 11 form an integral part of these financial statements.

# CLOSE PORTFOLIO MANAGEMENT LIMITED

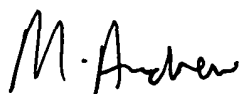
## BALANCE SHEET As at 31 July 2015

	Notes	2015 £'000	2014 £'000
<b>FIXED ASSETS</b>			
Investments	6	6	6
<b>CURRENT ASSETS</b>			
Debtors			
- due within one year	7	19,623	19,934
- due after one year	7	127	177
Cash at bank and in hand		23	66
		<u>19,773</u>	<u>20,177</u>
<b>CREDITORS: amounts falling due within one year</b>	8	(375)	(1,027)
<b>NET CURRENT ASSETS</b>		<u>19,398</u>	<u>19,150</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19,404	19,156
<b>CREDITORS: amounts falling due after more than one year</b>	8	(127)	(177)
		<u>19,277</u>	<u>18,979</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	15,465	15,465
Profit and loss account	10	3,812	3,514
<b>SHAREHOLDERS' FUNDS</b>	11	<u>19,277</u>	<u>18,979</u>

These financial statements were approved and authorised for issue by the Board of Directors of Close Portfolio Management Limited (company registration number: 3268027) on 16 September 2015.

The notes on pages 7 to 11 form an integral part of these financial statements.

Signed on behalf of the Board of Directors



M Andrew  
Director



E B Davis  
Director



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below, and have been applied consistently throughout the year and the preceding year.

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention as modified for the inclusion of certain investments at valuation, in accordance with applicable United Kingdom company law and accounting standards.

The company has adopted FRS 26, Financial Instruments: recognition and measurement, in these financial statements. The company has taken advantage of the exemption under UK GAAP from including FRS 29 disclosures as it is a wholly owned subsidiary of Close Brothers Group plc, which provides the full disclosures in its consolidated financial statements.

#### **Going Concern**

The principal risks and uncertainties facing the Company are discussed within the Directors' Report on page 1. Based on the financial position as shown in the balance sheet on page 6, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

#### **Investments**

Unlisted investments are held at fair value based on valuation reports. Any resultant gain or loss arising from a change in the fair value is recognised through the profit and loss account. Income from fixed asset investments is recognised through the profit and loss account within "Income from fixed asset investments" once it becomes receivable.

The company derecognises a financial asset only when the contractual rights to the cash flow from the investment expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

## CLOSE PORTFOLIO MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2015

#### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

During the year all audit fees were borne by the Company's immediate parent entity, Close Asset Management Holdings Limited. The amount incurred on audit fees by the parent entity in respect of the Company was £5,000 (2014: £5,000).

No payment is made to, or receivable by, third parties for making available the services of the directors. The company had no employees in the current or prior year.

#### 3. DIRECTORS' REMUNERATION AND TRANSACTIONS

Directors' remuneration	2015 £'000	2014 £'000
Emoluments	57	54
Amounts receivable (other than shares and share options) under long-term incentive schemes	-	3
Company contributions to money purchase pension schemes	1	2
	<u>58</u>	<u>59</u>

Retirement benefits are accruing under money purchase schemes to 2 Directors (2014: 2).

The emoluments above represent the qualifying services provided to the Company by the Directors. The Directors of the Company are all employed and remunerated by Close Asset Management Holdings Limited.

#### 4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	Note	2015 £'000	2014 £'000
Tax charge on profit on ordinary activities comprises:			
United Kingdom corporation tax at 20.67% (2014: 22.33%)		65	181
Prior year adjustment		<u>(48)</u>	<u>(88)</u>
Total current tax charge		17	93
Deferred taxation			
Origination and reversal of timing differences	5	-	(71)
Tax charge on profit on ordinary activities		<u>17</u>	<u>22</u>

The standard rate of tax for future periods is 20% for items which crystallise in 2015 and periods thereafter (2014: 20%).

# CLOSE PORTFOLIO MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 July 2015

### 4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The actual charge for the year differs from the standard rate for the following reasons:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	315	485
Tax charge on profit on ordinary activities at 20.67% (2014: 22.33%)	65	108
<i>Factors affecting charge for the year:</i>		
Franked investment income and similar income	-	(2)
Realised / unrealised revaluation gains	-	76
Income tax credit	-	(1)
Prior year adjustment	(48)	(88)
Total current tax charge	17	93

### 5. DEFERRED TAX

	2015 £'000	2014 £'000
Deferred tax is provided as follows :		
Other timing differences		
At 1 August	(311)	(382)
Deferred tax credit in profit and loss (Note 4)	-	71
At 31 July	(311)	(311)

### 6. INVESTMENTS

	Unlisted £'000
Valuation at 1 August 2014 and at 31 July 2015	6

In accordance with the accounting policy set out in note 1, changes in the value of the unlisted investments detailed above are included in 'Income from fixed asset investments' as follows:

	2015 £'000	2014 £'000
Income less expenses from fixed asset investments	315	422
Increase in carrying value of fixed asset investments recognised through profit and loss account	-	42
Income from fixed asset investments	315	464

# **CLOSE PORTFOLIO MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 July 2015**

### **7. DEBTORS**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts due within one year</b>		
Amounts owed by group undertakings	19,623	19,934
	<hr/>	<hr/>
<b>Amounts due after more than one year</b>		
Other receivables	127	177
	<hr/>	<hr/>

### **8. CREDITORS**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Amounts owed to group undertakings	-	544
Corporation tax	64	172
Deferred tax liability (note 5)	311	311
	<hr/>	<hr/>
	375	1,027
	<hr/>	<hr/>
<b>Amounts falling due after more than one year:</b>		
Other creditors	127	177
	<hr/>	<hr/>

### **9. CALLED UP SHARE CAPITAL**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid:</b>		
15,465,000 ordinary shares of £1 each	15,465	15,465
	<hr/>	<hr/>

### **10. PROFIT AND LOSS ACCOUNT**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
At 1 August	3,514	3,051
Profit on ordinary activities after taxation	298	463
	<hr/>	<hr/>
At 31 July	3,812	3,514
	<hr/>	<hr/>

## CLOSE PORTFOLIO MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2015

#### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £'000	2014 £'000
Profit on ordinary activities after taxation	298	463
Opening shareholders' funds	18,979	18,516
Closing shareholders' funds	19,277	18,979

#### 12. PARENT COMPANY

The immediate parent company is Close Asset Management Holdings Limited. The ultimate parent company, and the largest and smallest group of undertakings for which group accounts are drawn up, is Close Brothers Group plc. Both companies are incorporated in the United Kingdom and registered in England and Wales. Copies of the financial statements of Close Brothers Group plc are available to the public at 10 Crown Place, London, EC2A 4FT.

The Company has not prepared consolidated financial statements because under s400 of the Companies Act 2006 it is exempt by virtue of it being part of a larger group for which consolidated financial statements are prepared.

#### 13. RELATED PARTY TRANSACTIONS AND CASH FLOW REPORTING

The company has taken advantage of the disclosure exemption permitted by Financial Reporting Standard 8 with regard to transactions with other wholly owned member companies of Close Brothers Group plc and Financial Reporting Standard 1 (revised) with regard to cash flow reporting. There are no other related party transactions requiring disclosure.