Company Registration Number: 03685043

25 MOORGATE LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended

30 April 2015

25 Moorgate Limited
Contents

Report and financial statements for the year ended 30 April 2015

25 Moorgate Limited
Strategic report

Business overview

The principal activity of 25 Moorgate Limited (the 'company') is property management.

The company holds the property leases of 25 Moorgate - London, St Vincent Street - Glasgow, Colmore Row - Birmingham, Portwall Place – Bristol, Linenhall Street – Belfast, Copenhagen Street – Worcester and Hardman Street - Manchester and provides property management services to other group companies.

Strategic objectives and key performance indicators

The company acts as a service company to other group companies and recharges all rent and other expenses to those companies. Therefore, an analysis of key performance indicators is not considered to be relevant for the company.

Financial review

Revenue for the year was £7,658,000 (2014: £7,573,000) whilst profit before tax was £221,000 (2014: £245,000). Operating margin for the company decreased to 2.83% (2014: 3.16%).

Operating cash inflow before movements in operating assets and liabilities was £1,098,000 (2014: £1,126,000).

The overall effective tax rate for the year was 62.0% (2014: 47.8%), calculated as the tax charge in the financial statements of £137,000 (2014: £117,000) divided by the profit before tax of £221,000 (2014: £245,000). A full reconciliation is set out in note 6.

Principal risks and uncertainties

We have reviewed and evolved our risk management framework following the appointment of a new group head of risk. As a result, we have introduced a revised committee structure, enhanced our consideration of risk and risk appetite, and improved the management information we consider at meetings.

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group. Accordingly, the principal risks and uncertainties of Smith & Williamson Holdings Limited, which include those of the company, are discussed in the group's report and financial statements which does not form part of this report. Details of the company's financial risks are included in note 19.

Future outlook

The directors remain cautious about the short-term outlook for the UK economy due to the persistently challenging economic and geopolitical conditions in Europe.

In addition, the group is undertaking a full review of IT infrastructure and capabilities. The directors recognise the need for enhancements to the IT environment and the focus on security, including cyber risk. It is anticipated that significant IT development will be undertaken in the short to medium term with a sizeable investment being made by the group.

Corporate responsibility and environmental policy

The corporate responsibility and environmental policy of the company is as set out in Smith & Williamson Holdings Limited group's report and financial statements, which does not form part of this report.

Going concern

The company has adequate financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Events after the balance sheet date

There have been no material post balance sheet events.

On behalf of the board

J T Boadle
Director

30 July 2015

25 Moorgate Limited
Directors' report

The directors present their report on the affairs of the company, together with the audited financial statements for the year ended 30 April 2015.

Directors

The directors of the company are listed below. All of these directors served throughout the year under review.

J T Boadle
D M Cobb
K P Stopps
D R Godwin (appointed by J T Boadle as his alternative)
S B Lees (appointed by K P Stopps as his alternative)
N Medici (appointed by D M Cobb as his alternative)

Dividends

No interim dividend was paid during the year (2014: £Nil). The directors do not recommend the payment of a final dividend (2014: £Nil).

Indemnity

The directors have been covered by liability insurance throughout the year and the policy of insurance remains in force.

Independent auditors

During the year, Grant Thornton UK LLP resigned as auditors. On 3 December 2014, PricewaterhouseCoopers LLP were appointed as auditors.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and 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 IFRSs 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.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

On behalf of the board

D. A Saunders
Company Secretary
25 Moorgate,
London,
EC2R 6AY

30 July 2015

25 Moorgate Limited
Independent auditor's report

to the members of 25 Moorgate Limited

Report on the financial statements

Our opinion

In our opinion, 25 Moorgate Limited's financial statements (the 'financial statements'):

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

25 Moorgate Limited's financial statements comprise:

- the balance sheet as at 30 April 2015;
- the income statement and statement of comprehensive income for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

25 Moorgate Limited

Independent auditor's report (continued)

to the members of 25 Moorgate Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on pages 2 and 3, 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) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the report and financial statements 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.

Mark Pugh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 July 2015

25 Moorgate Limited

Income statement and statement of comprehensive income

for the year ended 30 April 2015

	Note	Year ended 30 April 2015 £'000	Year ended 30 April 2014 £'000
Revenue	3	7,658	7,573
Operating expenses	4	(7,441)	(7,334)
Operating profit		217	239
Investment revenue	5	4	6
Profit before tax		221	245
Taxation	6	(137)	(117)
Profit for the year attributable to equity holders of the company		84	128
Total comprehensive income for the year		84	128

The accompanying notes to the financial statements on pages 10 to 21 form an integral part of the financial statements.

25 Moorgate Limited
Balance sheet
at 30 April 2015

	Note	At 30 April 2015 £'000	At 30 April 2014 £'000
Assets			
Non-current assets			
Property, plant and equipment	7	1,278	1,935
		1,278	1,935
Current assets			
Cash and cash equivalents	8	1,703	1,440
Prepayments, accrued income and other receivables	9	1,257	1,273
Current tax assets		33	-
		2,993	2,713
Total assets		4,271	4,648
Liabilities			
Non-current liabilities			
Deferred tax liabilities	10	38	100
Accruals, deferred income, provisions and other payables	11	3,251	3,445
		3,289	3,545
Current liabilities			
Accruals, deferred income, provisions and other payables	11	582	666
Current tax liabilities		-	121
		582	787
Total liabilities		3,871	4,332
Net assets		400	316
Equity			
Share capital	12	-	-
Retained earnings		400	316
Total equity		400	316

The accompanying notes to the financial statements on pages 10 to 21 form an integral part of the financial statements.

The financial statements were approved by the board and authorised for issue on 30 July 2015 and signed on its behalf by:

J T Boadle
Director

Company Registration Number: 03685043

25 Moorgate Limited

Cash flow statement

for the year ended 30 April 2015

	Note	Year ended 30 April 2015 £'000	Year ended 30 April 2014 £'000
Cash flows from operating activities			
Profit before tax		221	245
Depreciation of property, plant and equipment	7	803	792
Loss on disposal of property, plant and equipment		40	89
Other non-cash movement		34	-
Operating cash flows before movements in operating assets and liabilities		1,098	1,126
Changes in operating assets and liabilities			
Decrease/(increase) in prepayments, accrued income and other receivables		16	(66)
Decrease in accruals, deferred income, provisions and other payables		(278)	(33)
Cash generated from operations		836	1,027
Tax paid		(353)	(291)
Net cash from operating activities		483	736
Cash flow from investing activities			
Purchase of property, plant and equipment		(220)	(84)
Net cash used in investing activities		(220)	(84)
Net increase in cash and cash equivalents		263	652
Cash and cash equivalents at beginning of the year		1,440	788
Cash and cash equivalents at the end of the year	8	1,703	1,440

The accompanying notes to the financial statements on pages 10 to 21 form an integral part of the financial statements.

25 Moorgate Limited

Statement of changes in equity

for the year ended 30 April 2015

	Share capital £'000	Retained earnings £'000	Total equity £'000
Equity at 1 May 2013	-	188	188
Profit for the year ended 30 April 2014	-	128	128
Equity at 30 April 2014	-	316	316
Profit for the year ended 30 April 2015	-	84	84
Equity at 30 April 2015	-	400	400

The accompanying notes to the financial statements on pages 10 to 21 form an integral part of the financial statements.

1. Principal accounting policies

25 Moorgate Limited is a company incorporated and domiciled in England and Wales.

The financial statements have been prepared in accordance with IFRSs as adopted by the EU. The financial statements are also prepared in accordance with those parts of the Companies Act 2006 that remain applicable to companies reporting under IFRSs as adopted by the EU. The financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value.

Future amendments to standards and interpretations

At the date of authorisation of these financial statements, the following standards (there were no interpretations outstanding), applicable to the company, which have not been applied in these financial statements were in issue but not yet mandatorily effective for the company:

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 January 2018 (not yet endorsed by EU)	IFRS 9 'Financial Instruments'	This is part of a project to replace IAS 39 'Financial Instruments: Recognition and Measurement' and deals with the classification and measurement of financial assets and financial liabilities. In November 2009, the IASB published IFRS 9 'Financial Instruments' which covered the classification and measurement of financial assets. In October 2010 the requirements for classifying and measuring financial liabilities were added to IFRS 9. Further amendments have been issued relating to the introduction of a fair value through other comprehensive income (FVOCI) measurement category for debt instruments that would be based on an entity's business model and expected credit losses are to be recognised on all financial instruments within the scope of the amendment from when they are originated or purchased. Full lifetime expected credit losses are recognised when a financial instrument deteriorates significantly in credit quality.
1 January 2017 (not yet endorsed by EU)	IFRS 15 'Revenue from Contracts with Customers'	The standard represents a single revenue recognition standard to be applied across various industries. The standard replaces IAS 11 'Construction Contracts' and IAS 18 'Revenue'. The core principle of the standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The standard also requires enhanced disclosures about revenue, provides guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improves guidance for multiple-element arrangements. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts.

The full impact of these pronouncements are being assessed by the company. However, the initial view is that the directors anticipate that future adoption will not have a material impact on the financial statements.

Going concern

Reference to the company's ability to continue as a going concern is included under the strategic report.

Foreign currencies

Functional and presentation currency

The financial statements are presented in pounds sterling, which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Income recognition

Income is recognised at the fair value of the consideration received or receivable. The point at which revenue is recognised is described below.

Rent

Rental income from other group entities is credited to the income statement on a straight-line basis over the full lease term. Operating lease incentives received are recognised as a reduction in the rental expense over the lease term.

Net interest income

Interest income or expense from interest-bearing financial instruments, except those classified as held for trading, is calculated using the effective interest method and recognised within net interest income.

The effective interest method is the method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income receivable (or expense payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the company estimates cash flows considering all contractual terms of the financial instrument but excluding future credit losses.

Taxation

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

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

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. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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, provided these rates are enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case it is dealt with in equity.

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.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset into use.

Depreciation is calculated on a straight-line basis to write down the assets less any estimated residual value by equal instalments over their estimated useful economic lives as follows:

Asset type	Term of depreciation
Freehold and long leasehold property	40 years
Short leasehold property	the earlier of 10 years and life of lease

The residual values and useful economic lives of all property, plant and equipment are reviewed and adjusted if appropriate, at the end of each financial year. Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

Gains and losses on disposals are calculated by comparing sale proceeds with carrying amounts and are included in the income statement.

Impairment of property, plant and equipment

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying values of property, plant and equipment is measured at amortised cost and is reviewed for impairment only when events indicate that the carrying value may be impaired.

The recoverable amount is the higher of the fair value less cost to sell and the value in use. In determining an asset's value in use estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects a current market assessment of the time value of money and risks specific to the asset that have not already been included in the estimate of future cash flows.

An impairment loss is recognised to the extent that the carrying value exceeds the recoverable amount.

Cash and cash equivalents

For the purpose of preparation of the cash flow statement, cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity period of three months or less. Bank overdrafts that are an integral part of the company's cash management are included in cash and cash equivalents where they have a legal right of set-off against positive cash balances and an intention to settle on a net basis, otherwise bank overdrafts are classified as borrowings.

Financial instruments

Financial assets and liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. They are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial assets

The company has one type of financial asset, being loans and receivables. The classification of financial assets is determined at initial recognition.

Loans and receivables

Loans and receivables are carried at amortised cost using the effective interest method, less any impairment recognised to reflect irrecoverable amounts. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and where there is no intention of trading in those instruments.

Financial liabilities

Financial liabilities are initially recognised at fair value and classified as fair value though profit and loss (if designated as such or held for trading) or at amortised cost.

The company has not designated any liabilities as fair value through profit and loss and holds no liabilities as held for trading.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the full lease term. Operating lease incentives are recognised as a reduction in the rental expense over the lease term.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation which, as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are recognised for future committed property lease payments when the company receives no benefit from the property through continuing usage and future receipts from any sub-letting arrangements are less than the company's future committed payments.

Provisions are measured at the present value of the directors' best estimate of the expenditure required to settle the present obligation at the balance sheet date.

The company provides for dilapidation costs following advice from chartered surveyors and previous experience of exit costs. The estimated cost of fulfilling the leasehold dilapidation obligations is recognised on our leasehold properties over the remaining five to seven years of the lease term.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2. Critical accounting judgements and key sources of estimation uncertainty

The company makes estimates and assumptions that could affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Revenue

	2015	2014
	£'000	£'000
Rental income	6,855	6,781
Other fee income	803	792
	7,658	7,573

4. Operating expenses

	2015	2014
	£'000	£'000
Depreciation of property, plant and equipment	803	792
Operating lease expense	4,410	4,319
Other occupancy costs	2,181	2,125
Loss on disposal of property, plant and equipment	40	89
Auditor's remuneration for the audit of the company's financial statements	7	7
Auditor's remuneration for audit related assurance services	-	2
	7,441	7,334

5. Investment revenue

	2015	2014
	£'000	£'000
Interest from cash and short term funds	4	6

6. Taxation

	2015	2014
	£'000	£'000
Current tax	199	212
Deferred tax (note 10)	(62)	(95)
	137	117

UK corporation tax is calculated at 20.92% (2014: 22.84%) of the estimated assessable profit for the year.

The tax on the company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the company as follows:

	2015	2014
	£'000	£'000
Profit before tax	221	245
Tax calculated at UK tax rate 20.92% (2014: 22.84%)	46	56
Depreciation in excess of capital allowances	73	45
Loss on disposal of property, plant and equipment	15	20
Other movements	1	(1)
Under/(over) provision in respect of prior year	2	(3)
	137	117

7. Property, plant and equipment

	Leasehold property improvement
Cost	**£'000**
At 1 May 2013	7,940
Additions	84
Disposals	(124)
At 30 April 2014	7,900
Additions	220
Disposals	(90)
At 30 April 2015	8,030
Accumulated depreciation	
At 1 May 2013	5,208
Charge for the year	792
Disposals	(35)
At 30 April 2014	5,965
Charge for the year	803
Disposals	(16)
At 30 April 2015	6,752
Net book value	
At 30 April 2015	1,278
At 30 April 2014	1,935

There was no impairment of property, plant and equipment recognised during the year.

8. Cash and cash equivalents

	2015	2014
	£'000	£'000
Cash at bank	1,703	1,440

9. Prepayments, accrued income and other receivables

	2015	2014
	£'000	£'000
Other receivables	300	240
Amount due from group companies	777	911
Prepayments and accrued income	180	122
	1,257	1,273

10. Deferred tax liabilities

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

	Temporary timing differences
	£'000
At 1 May 2013	195
Effect of change in tax rate to the income statement	(17)
Credit to income statement for the year	(78)
At 30 April 2014	100
Effect of change in tax rate to the income statement	(5)
Credit to income statement for the year	(57)
At 30 April 2015	38

	2015	2014
	£'000	£'000
Deferred tax liability	38	100

11. Accruals, deferred income, provisions and other payables

	2015	2014
	£'000	£'000
Fees in advance	7	3
Accruals	354	439
Other payables	58	44
Amount due to group companies	-	82
Provisions for liabilities (see overleaf)	163	98
Current liabilities	582	666
Accruals	3,251	3,445
Non-current liabilities	3,251	3,445

Provisions for liabilities comprise the following:

	Dilapidations provision	Onerous lease provision	Total
	£'000	£'000	£'000
At 1 May 2013	12	-	12
Charged to income statement	25	69	94
Used during the year	-	(8)	(8)
At 30 April 2014	37	61	98
Charged to income statement	174	-	174
Used during the year	(48)	(61)	(109)
At 30 April 2015	163	-	163

12. Share capital

	Authorised		Allotted and fully paid	
	Ordinary shares of £1 each		Ordinary shares of £1 each	
	Number	£'000	Number	£'000
At 30 April 2014	1,000	1	2	-
At 30 April 2015	1,000	1	2	-

The company has one class of ordinary shares. All issued shares are fully paid.

13. Operating leases

At the balance sheet date, the company had outstanding obligations under non-cancellable operating leases that fall due as follows:

	2015	2014
	£'000	£'000
Within one year	4,959	4,605
In the second year to fifth year inclusive	19,834	19,104
After five years	13,897	18,066
	38,690	41,775

Operating lease payments represent rentals payable by the company for certain office properties. Total future committed external sub-lease payments receivable relating to the above operating leases amounted to £216,266 (2014: £287,518).

14. Contingent liabilities and commitments

The company had no contingent liabilities at 30 April 2015 (2014: £Nil).

The company is from time to time involved in legal actions that are incidental to its operations. Currently the company is not involved in any legal actions that would significantly affect the financial position or profitability of the company.

15. Events after the balance sheet date

There have been no material post balance sheet events.

16. Related party transactions

During the course of the year, the company was charged by, or charged to, other companies of the group in respect of property related and other overhead costs.

During the year transactions between the company and other group companies were as follows:

	2015	2014
	£'000	£'000
Intercompany charges receivable from group companies	7,476	7,491

At the balance sheet date, the amounts due from/to other group companies were as follows:

	2015	2014
	£'000	£'000
Smith & Williamson Investment Services Limited	777	911
Total amount due from group companies	777	911
Smith & Williamson LLP	-	82
Total amount due to group companies	-	82
Net amount due from group companies	777	829

17. Directors' remuneration

The emoluments of those directors whose executive services were provided to the company during the year ended 30 April were as follows;

	2015	2014
	£'000	£'000
Salaries and other emoluments	3,389	3,366
Pension scheme contributions	-	-
Total emoluments	3,389	3,366

	2015	2014
The highest paid director received the following remuneration:	£'000	£'000
Salaries and other emoluments	1,131	922
Pension scheme contributions	-	-
Total emoluments	1,131	922

The directors are also directors of other group companies. It is not practicable to allocate their total remuneration between their services as executives to this company or other group companies, and no such allocation has been attempted.

There are no key management personnel other than the directors.

18. Capital management

Accounting capital is defined as the total of share capital, share premium, retained earnings and other reserves. Total capital at 30 April 2015 was £400,000 (2014: £316,000).

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for its other stakeholders.

19. Financial risk management

The company has a formal structure for managing risk, including established risk limits, reporting lines, mandates and other control procedures.

The company does not use derivative financial instruments for risk management purposes.

a) Categories of financial instruments

The company has one type of financial asset and financial liability, as described in the accounting policies note 1, therefore no analysis has been prepared.

b) Strategy in using financial instruments

The company does not trade financial instruments for its own account.

c) Credit risk

The primary source of credit risk arises from placing funds with banks. It is the company's policy to place funds with high quality financial institutions approved by the board.

Maximum exposure to credit risk

The table below represents the company's on-balance sheet credit risk exposure at 30 April, ignoring the value of any collateral held. For accrued income and other receivables, the amount stated is after any provisions for *impairment*.

	2015	2014
	£'000	£'000
Credit risk relating to on-balance sheet exposures:		
Cash and cash equivalents	1,703	1,440
Accrued income and other receivables	1,077	1,151
Total credit risk	2,780	2,591

There are no loans and receivables past due but not impaired.

d) Liquidity risk

Liquidity risk is the risk that the company is unable to meet its obligations as they fall due. The company operates strict criteria for counterparties and as a result is not exposed to any significant liquidity risk.

Cash flows

The table below analyses financial assets and liabilities of the company on an undiscounted future cash flow basis according to the contractual maturity into relevant maturity groupings based upon the remaining period at the balance sheet date. Balances with no fixed maturity are included in the 'over 5 years' category. Included within the 'under 1 month' category, are amounts that are either repayable on demand or which have no contractual maturity.

At 30 April 2015	under 1 month £'000	1 to 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	over 5 years £'000	Total £'000
Assets						
Cash and cash equivalents	1,703	-	-	-	-	1,703
Accrued income and other receivables	1,077	-	-	-	-	1,077
Total	2,780	-	-	-	-	2,780
Liabilities						
Accruals, provisions and other payables	105	81	339	1,820	1,432	3,777
Total	105	81	339	1,820	1,432	3,777
Net liquidity gap	2,675	(81)	(339)	(1,820)	(1,432)	(997)

At 30 April 2014	under 1 month £'000	1 to 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	over 5 years £'000	Total £'000
Assets						
Cash and cash equivalents	1,440	-	-	-	-	1,440
Accrued income and other receivables	1,151	-	-	-	-	1,151
Total	2,591	-	-	-	-	2,591
Liabilities						
Accruals, provisions and other payables	128	119	375	1,759	1,688	4,069
Total	128	119	375	1,759	1,688	4,069
Net liquidity gap	2,463	(119)	(375)	(1,759)	(1,688)	(1,478)

e) Market risk

Interest rate risk

The company has no significant interest rate risk.

Foreign exchange risk

The company has no significant foreign exchange risk.

20. Ultimate controlling party

At 30 April 2015, the company's immediate parent company was Smith & Williamson Group Holdings Limited.

The company's ultimate parent undertaking and controlling party is Smith & Williamson Holdings Limited, a company incorporated and domiciled in England and Wales. Smith & Williamson Holdings Limited is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member.

Copies of the group financial statements, which include the results of the company, are available from the Company Secretary, Smith & Williamson Holdings Limited, 25 Moorgate, London EC2R 6AY.