Schroder Corporate Services Limited

Annual Report and Accounts for the period from 16 December 2013 to 31 December 2014

Registered Number: 08816671

Contents

Officers and professional advisers

Directors

Christopher S Austin (appointed 16 December 2013)
Philip A Betteridge (appointed 16 December 2013)
Michael W R Dobson (appointed 18 December 2013, resigned 23 March 2015)
Richard J Keers (appointed 18 December 2013, resigned 23 March 2015)
Wayne Mepham (appointed 16 December 2013)
Graham Staples (appointed 18 December 2013)

Secretary

From 16 December 2013 to 23 March 2015:
Schroders Corporate Secretary Limited

From 23 March 2015:
Matthew Whyte

Registered office

31 Gresham Street
London
EC2V 7QA

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Strategic report

The Directors present their Strategic report on Schroder Corporate Services Limited (the Company) for the period from the date of incorporation, 16 December 2013, to 31 December 2014.

Results and review of the business

The profit for the period from 16 December 2013 to 31 December 2014 was £6,244.

The Company's principal activity is to provide general administration services for the Schroders Group.

The Directors consider the results and the Company's financial position at 31 December 2014 to be satisfactory.

The Company's operating principles are expected to remain unchanged in 2015.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Schroders plc's other subsidiary undertakings which, with Schroders plc, form the Schroders plc Group (Group) and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the "Key risks and mitigations" in the business review section and "Risk management and internal controls" within the Governance section of the Schroders plc annual report and accounts for the year ended 31 December 2014 (the Schroders Report). The Schroders Report does not form part of this report.

Key performance indicators

The Directors of the Group manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the Company, is discussed in the 'Strategic report' in the Schroders Report. The Schroders Report does not form part of this report.

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

Matthew Whyte
Company Secretary
23 March 2015

Directors' report

The Directors present their report and the audited financial statements for the Company for the period from the date of incorporation, 16 December 2013, to 31 December 2014.

General information

The Company is a company limited by shares incorporated and domiciled in England and Wales. The Company's ultimate parent undertaking and controlling entity is Schroders plc, which together with the Company and Schroders plc's other subsidiary undertakings, form the Group.

Dividend

During the period no dividends were paid or proposed.

Risk management and use of financial instruments

The risk management processes of the Company are aligned with those of the Group as a whole. Details of the Group's risk management processes are outlined in the "Key risks and mitigations" in the business review section and "Risk Management and internal controls" within the Governance section of the Schroders Report. The Company's specific risk exposures to financial instruments are explained in note 8 to the financial statements. The Schroders Report does not form part of this report.

Going concern

Taking all the above factors into consideration, including the nature of the Company and its business, the Directors are satisfied that, at the time of approving the financial statements, there is reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis in preparing the financial statements.

Directors

The Directors of the Company who have served throughout the period, except where listed below, are listed on page one.

Between 1 January 2015 and 23 March 2015 the following changes have taken place:

Director	Resigned
Michael W R Dobson	23 March 2015
Richard J Keers	23 March 2015

Directors' liability insurance

Directors' and Officers' liability insurance is taken out by Schroders plc, the Company's ultimate parent undertaking for the benefit of the Directors of the Company.

Employee involvement

The Company had no employees during the period.

Independent auditors and disclosure of information to independent auditors

In accordance with Section 487(2) of the Companies Act 2006 and in the absence of a notice proposing that the appointment be terminated at a general meeting, the current auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed for the next financial year.

Directors' report (continued)

To the best of the Directors' knowledge, there is no relevant audit information of which the Company's auditors are unaware. Each of the Directors has taken all reasonable steps that ought to have been taken by him or her as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, 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 (IFRS) 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 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 IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Matthew Whyte
Company Secretary
23 March 2015

Registered Office:
31 Gresham Street
London EC2V 7QA

Registered in England and Wales No 08816671

Independent auditors' report to the member of Schroder Corporate Services Limited

Report on the financial statements

Our opinion

In our opinion, Schroder Corporate Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the period from 16 December 2013 to 31 December 2014;
- 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

Schroder Corporate Services Limited's financial statements comprise:

- the statement of financial position as at 31 December 2014;
- the income statement and statement of comprehensive income for the period from 16 December 2013 to 31 December 2014;
- the statement of changes in equity for the period then ended;
- the statement of cash flows for the period 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 period 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.

Independent auditors' report to the member of Schroder Corporate Services Limited (continued)

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.

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 page four, 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 member 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 Accounts 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.

Thomas Robb (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 March 2015

Income statement

for the period from 16 December 2013 to 31 December 2014

	Notes	Period from 16 December 2013 to 31 December 2014 £
Revenue	2	168,396
Operating expenses	3	(160,378)
Profit before tax		**8,018**
Tax charge	4	(1,774)
Profit after tax		**6,244**

Statement of comprehensive income

for the period from 16 December 2013 to 31 December 2014

	Period from 16 December 2013 to 31 December 2014 £
Profit for the period	6,244
Total comprehensive income for the period, net of tax	**6,244**

Statement of financial position

31 December 2014

	Notes	2014 £
Assets		
Trade and other receivables	5	638,911
Property, plant and equipment	6	3,053,311
Total assets		**3,692,222**
Liabilities		
Trade and other payables	7	3,685,977
Total liabilities		**3,685,977**
Net assets		**6,245**
Total equity		**6,245**

The financial statements on pages 7 to 17 were approved by the Board of Directors on 23 March 2015 and were signed on its behalf by

Director
Wayne Mepham

Statement of changes in equity

for the period from 16 December 2013 to 31 December 2014

	Period from 16 December 2013 to 31 December 2014		
	Share capital[1]	**Profit and loss reserve**	**Total**
	£	**£**	**£**
At 16 December 2013	-	-	-
Shares issued during the period	1		1
Total comprehensive income for the period, net of tax	-	6,244	6,244
At 31 December 2014	**1**	**6,244**	**6,245**

1 Share capital represents ordinary shares issued at a par value of £1 each. See note 9.

Statement of cash flows

for the period from 16 December 2013 to 31 December 2014

	Period from 16 December 2013 to 31 December 2014 £
Operating activities	
Operating profit	8,018
Increase in trade and other receivables	(168,396)
Increase in trade and other payables	160,378
Net cash from operating activities	-
Net increase in cash and cash equivalents	-
Opening cash and cash equivalents	-
Net increase in cash and cash equivalents	-
Closing cash and cash equivalents	-

Notes to the financial statements

for the period from 16 December 2013 to 31 December 2014

1. Presentation of the financial statements

Financial information for the period from 16 December 2013 to 31 December 2014 is presented in accordance with International Accounting Standard (IAS) 1 Presentation of Financial Statements.

Basis of preparation

The financial statements are prepared in accordance with IFRS, which comprise Standards and Interpretations approved by either the International Accounting Standards Board or the IFRS Interpretations Committee or their predecessors, as adopted by the European Union (EU), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information presented within these financial statements has been prepared on the going concern basis under the historical cost convention.

The Company's principal accounting policies have been consistently applied. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Any areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the notes below along with the principal accounting policy relevant to that note.

The Company did not implement the requirements of any Standards or Interpretations which were in issue and which were not required to be implemented at the period-end date. The following Standards and Interpretations relevant to the Company that had been issued but not yet endorsed by the EU or adopted at the period-end were:

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted subject to EU endorsement. The Company is currently assessing the impact of IFRS 15 on its financial statements.

No other Standards or Interpretations issued and not yet effective are expected to have an impact on the financial statements.

Notes to the financial statements

for the period from 16 December 2013 to 31 December 2014

2. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

Revenue comprises:

	Period from 16 December 2013 to 31 December 2014 £
Other fees	168,396
	168,396

3. Operating expenses

Operating expenses are recognised on an accruals basis as services are provided.

Operating expenses include:

	Period from 16 December 2013 to 31 December 2014 £
Fees payable for the audit of the Company	20,000
Other operating expenses	140,378
Operating expenses	**160,378**

Directors' emoluments

The emoluments of 6 Directors employed by and paid for by other Group companies are included in the financial statements of those entities. These Directors have contracts with and receive their emoluments from another Group company. Their emoluments are deemed to be wholly attributable to their services to these other companies. These Directors therefore receive no incremental emoluments for their services to the Company.

Key management personnel remuneration

The Company has determined that the Board of Directors of the Company are the key management personnel of the Company.

Notes to the financial statements

for the period from 16 December 2013 to 31 December 2014

4. Tax charge

(a) Analysis of charge in period

Major components of the income tax charge for the period ended 31 December 2014:

	Period from 16 December 2013 to 31 December 2014 £
Current tax:	
Group relief	1,774
Total tax charge for the period	**1,774**

(b) Factors affecting the tax charge for the period

The UK standard rate of corporation tax reduced from 23 per cent. to 21 per cent. on 1 April 2014 resulting in a UK effective tax rate for the period of 21.5 per cent. The current tax charge for the period is higher than the effective rate of corporation tax in the UK of per cent. The differences are explained below:

	Period from 16 December 2013 to 31 December 2014 £
Profit before tax	8,018
Profit before tax multiplied by corporation tax at the UK standard rate of 21.5%	1,723
Non taxable income net of disallowable expenses	51
Total tax charge	**1,774**

Notes to the financial statements

for the period from 16 December 2013 to 31 December 2014

5. Trade and other receivables

Trade receivables are recorded initially at fair value and subsequently at amortised cost.

Impairments for specific bad and doubtful debts are made against receivables to reflect an assessment of irrecoverability and are deducted from the relevant assets. Such impairments are recorded within 'Operating expenses' in the income statement.

	2014 £
Financial assets:	
Amounts owed by related parties (see note 11)	498,328
Other debtors	140,583
	638,911

All trade and other receivables are current.

6. Property, plant and equipment

Property, plant and equipment is stated at cost. The asset will be depreciated over its useful economic life once the leased property is in use.

	Period from 16 December 2013 to 31 December 2014
	Leasehold improvements **£**
Cost	
Additions	3,053,311
Net book value at 31 December	**3,053,311**

At 31 December 2014 none of the above were held under finance leases.

Notes to the financial statements

for the period from 16 December 2013 to 31 December 2014

7. Trade and other payables

Trade payables are recorded initially at fair value and subsequently at amortised cost.

	2014
	£
Financial liabilities:	
Amounts owed to related parties (see note 11)	2,610,423
Accruals and deferred income	1,075,554
	3,685,977

All trade and other payables are current.

8. Financial risk management

The risk management processes of the Company are aligned with those of the Group as a whole. Details of the Group's risk management processes are outlined in the Business review section and in note 20 of the Schroders Report.

Sensitivities are measured against market risk movements which the Company believes could reasonably occur within the next calendar year. The Company's specific risk exposures are explained below.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause the Company financial loss by failing to discharge an obligation. The Company has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due. The Company's counterparties are predominately its related parties and therefore there is no credit risk exposure outside the Group on these balances. The balances are monitored regularly and historically, default levels have been nil. The Company does not have any receivables past due or impaired.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due or can only do so at a cost. The Company's liquidity policy is to have access to sufficient liquidity to cover any cash flow funding, meet all obligations as they fall due and maintain solvency. Overall liquidity of the Group's capital (and for each entity) is monitored on a regular basis.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company has no interest bearing assets or liabilities and therefore has no exposure to interest rate risk.

Capital management

The Company holds capital required to meet its working capital requirements.

Notes to the financial statements

for the period from 16 December 2013 to 31 December 2014

8. Financial risk management (continued)

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company's policy in relation to revenue and expenditure currency exposure is not to hedge as the resulting exposure is considered part of the business.

The Company has a minimal foreign currency exposure through its trade and other payables balance and accordingly does not have a material exposure to foreign exchange risk.

Pricing risk

The Company does not hold any financial instruments and therefore is not exposed to pricing risk.

9. Share capital

	2014 Number	2014 £
Issued:		
Ordinary shares of £1 each	1	1

10. Operating leases – as lessee

The Company leases office space and equipment in the jurisdictions in which it operates. Lease agreements can commit the Company to significant future expenditure. Such commitments are not recorded on the Company's statement of financial position in advance of the period to which they relate.

At 31 December, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2014 Offices £
Not later than 1 year	21,500
Later than 1 year and not later than 5 years	4,947,908
Later than 5 years	335,857,500
	340,826,908

Notes to the financial statements

for the period from 16 December 2013 to 31 December 2014

11. Related party transactions

Transactions between related parties

Transactions between the Company and related parties are disclosed below:

	Revenues	Expenses	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£
Period from 16 December 2013 to 31 December 2014				
Ultimate parent	168,396	-	168,396	-
Parent	-	-	1	-
Other related companies within the Schroders Group	-	(4,274)	329,931	(2,610,423)

Transactions with related parties were made at market rates. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense for bad or doubtful debts has been recognised in the period in respect of the amounts owed by related parties.

12. Ultimate and immediate parent company

The Company's immediate parent company is Schroder Adminstation Limited (incorporated in England and Wales), whose ultimate parent company and ultimate controlling party is Schroders plc (incorporated in England and Wales).

The results of the Company are consolidated in the Annual Report and Accounts of Schroders plc, copies of which can be obtained from Schroders plc, 31 Gresham Street, London, EC2V 7QA.