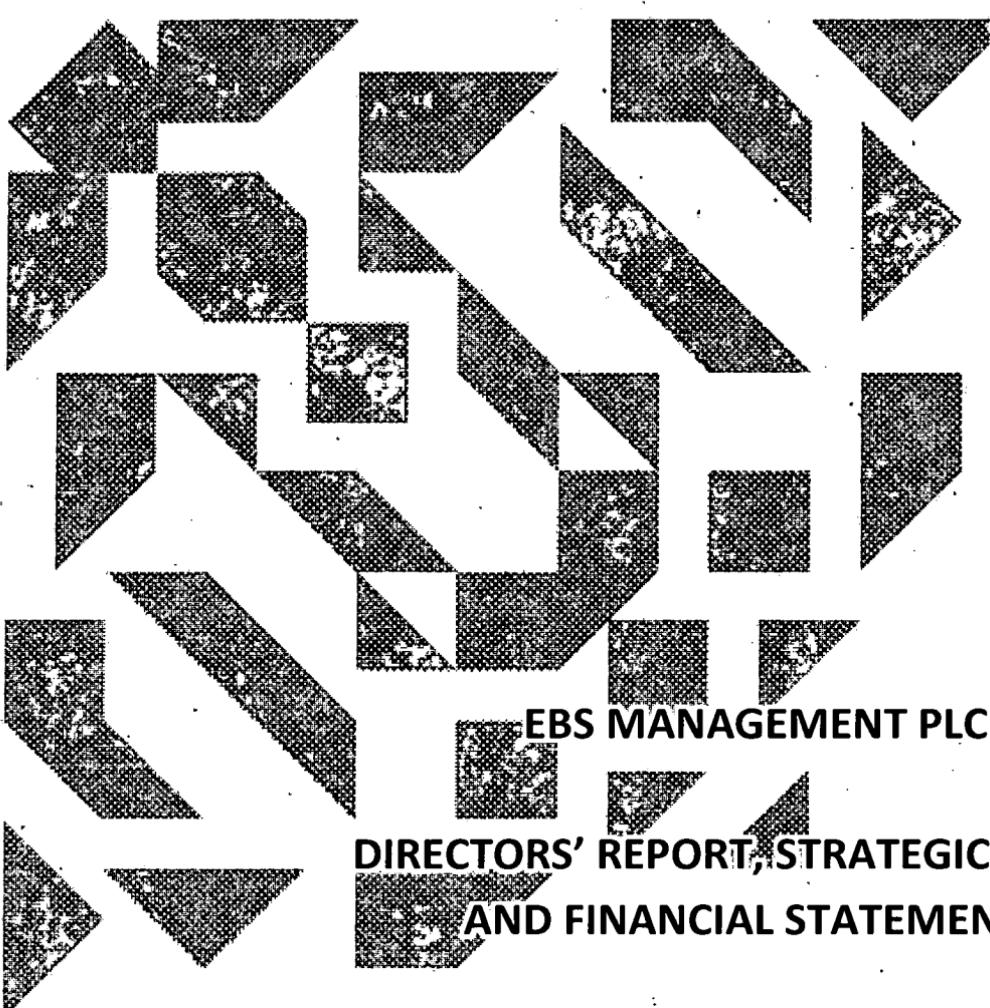


Registered number: 998606



**EBS MANAGEMENT PLC**  
**DIRECTORS' REPORT, STRATEGIC REPORT**  
**AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**



# **EBS MANAGEMENT PLC**

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# **EBS MANAGEMENT PLC**

## **COMPANY INFORMATION**

### **Directors**

Paul Abberley  
Mike Lilwall  
Kate Ragnauth

### **Company Secretary**

Julie Ung

### **Company number**

998606

### **Registered office**

55 Bishopsgate  
London  
EC2N 3AS

### **Auditor**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

# EBS MANAGEMENT PLC

## STRATEGIC REPORT

For the year ended 31 March 2017

The Directors present their strategic report for the year ended 31 March 2017.

### Principal activities and review of business

EBS Management PLC ("the Company") is a pension administrator which acts as operator to SIPPs and practitioner to SSASs. The Company is regulated by the Financial Conduct Authority ("FCA").

### Results

Revenue increased 5.6% from £2,850,429 in 2016 to £3,011,434 in 2017, driven by an 18.3% increase in the number of schemes during the year to 15,068 (2016: 12,737). Administration expenses also increased from £2,925,352 in 2016 to £2,974,192 recognised in the year. This resulted in an operating profit for the year of £37,242 (2016: £74,923 operating loss). The Company also received finance income of £1,562 (2016: £14,411), leading to a profit before tax of £38,804 (2016: loss before tax £60,512) and a profit after tax of £30,811 (2016: £48,570 loss after tax).

### Taxation

The tax charge for the year was £7,993 (2016: £11,942 credit) due to a profit being reported in the year, compared to a prior year loss.

### Dividends

The Company did not pay a dividend during the year or the prior year. A post year-end dividend of £275,000 was paid on 25 May 2017.

### Capital Risk Management

The responsibility for the Company's capital planning lies with the Board of Directors. Any changes to capital are proposed to the Company's Board and also require the approval of the parent company Charles Stanley Group PLC (refer to note 18 of the financial statements).

Capital is comprised of shareholder funds in the form of share capital and retained earnings. If required, the Company can increase its regulatory capital resources through finance obtained from its parent company.

Charles Stanley Group PLC subscribed for 50,000 new ordinary shares in the Company on 30 September 2016 at £1 each and 300,000 new ordinary shares in the Company on 31 January 2017 at £1 each, in order to increase the Company's capital reserves.

The Company's regulatory capital requirement was £1,473,148 at 31 March 2017. At the year-end, the Company's capital resources were £1,850,773.

### Principal risks and uncertainties

The Company provides investment administration services and as such it does not take any proprietary positions and acts solely on behalf of clients. The main risks facing the business are operational, liquidity and market risks (refer to note 15 of the financial statements). The Company operates in a competitive environment and therefore is also subject to changes in markets or actions of competitors.

On 23 June 2016 the UK voted to leave the European Union. At the date of signing these accounts the Directors do not foresee any immediate risks crystallising due to 'Brexit' but acknowledge that there is continuing uncertainty as a result. The Directors will continue to monitor the economic environment and impact this is likely to have on the Company.

# EBS MANAGEMENT PLC

## STRATEGIC REPORT

For the year ended 31 March 2017

### **Change of control**

On 11 April 2017 it was announced that contracts had been exchanged for the sale of the entire issued share capital of the Company by Charles Stanley Group PLC to Embark Group Limited. Change of ownership is expected to take effect on 1 June 2017.

### **Future developments**

The Company will continue to operate as a pension administrator under the new ownership.

**EBS MANAGEMENT PLC**  
Registered number: 998606

## **DIRECTORS' REPORT**

**For the year ended 31 March 2017**

The Directors submit their report and financial statements for the year ended 31 March 2017.

### **Directors**

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

Paul Abberley  
Michael Lilwall  
Kate Ragnauth

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP will be deemed to be reappointed and will therefore continue in office.

### **Employee involvement**

The Company is aware that its reputation and success is due to the service provided to clients by highly qualified and committed staff. Employees are one of the key assets of the organisation and it is the Company's policy to attract and retain the best people. Where appropriate, employees' views are taken into account when making decisions likely to affect their interests. At a Group level there are a number of both informal and formal forums for staff and senior management, in addition to a formal appraisal system.

### **Donations**

The Company has not made any political or charitable donations during the year.

### **Going concern**

The Company's business activities, performance and position, together with the risks it faces and the factors likely to affect its future development are set out in the Strategic Report. The Company's forecasts and projections, taking into account possible adverse changes in trading performance, along with the risk that the sale to Embark Group Limited does not complete, show that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Directors have considered the Company's prospects for a period exceeding 12 months from the date the financial statements are approved and accordingly continue to adopt the going concern basis for the preparation of the financial statements.

By order of the Board,



**Julie Ung**  
Company Secretary  
31 May 2017

# EBS MANAGEMENT PLC

## STATEMENT OF DIRECTORS RESPONSIBILITIES

For the year ended 31 March 2017

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### **Provision of information to auditor**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

By order of the Board,



**Julie Ung**  
Company Secretary  
31 May 2017

# AUDITOR'S REPORT TO THE MEMBERS OF EBS MANAGEMENT PLC

For the year ended 31 March 2017

We have audited the financial statements of EBS Management PLC for the year ended 31 March 2017 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 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. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## 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 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

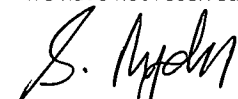
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## 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.



**Simon Ryden (Senior Statutory Auditor)**

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London, E14 5GL  
31 May 2017

## EBS MANAGEMENT PLC

### INCOME STATEMENT

For the year ended 31 March 2017

	Notes	2017 £	2016 £
Revenue		3,011,434	2,850,429
Administrative expenses		(2,974,192)	(2,925,352)
Operating profit/(loss)	4	37,242	(74,923)
Finance income	7	1,562	14,411
Profit/(loss) before tax		38,804	(60,512)
Tax (expense)/credit	8	(7,993)	11,942
<b>Profit/(loss) after tax</b>		<b>30,811</b>	<b>(48,570)</b>

Results for the period are from continuing operations.

There were no items of other comprehensive income in either the current year or prior year. As such, no statement of comprehensive income has been presented.

The notes on pages 11 to 22 form part of these financial statements.

**EBS MANAGEMENT PLC**  
Registered number: 998606

**STATEMENT OF FINANCIAL POSITION**  
For the year ended 31 March 2017

	Notes	2017 £	2016 £
<b>Assets</b>			
Property, plant & equipment	9	-	7,350
<b>Total non-current assets</b>		-	7,350
Trade and other receivables	10	1,670,429	1,383,004
Cash and cash equivalents	11	6,327,577	3,497,827
<b>Total current assets</b>		<b>7,998,006</b>	<b>4,880,831</b>
<b>Total assets</b>		<b>7,998,006</b>	<b>4,888,181</b>
<b>Equity</b>			
Share capital	12	400,000	50,000
Retained earnings		1,299,042	1,267,874
<b>Total equity</b>		<b>1,699,042</b>	<b>1,317,874</b>
<b>Liabilities</b>			
Trade and other payables	13	5,833,174	3,053,574
Current tax liabilities		9,248	60,191
Preference shares	12	456,542	456,542
<b>Total current liabilities</b>		<b>6,298,964</b>	<b>3,570,307</b>
<b>Total equity and liabilities</b>		<b>7,998,006</b>	<b>4,888,181</b>

The notes on pages 11 to 22 form part of these financial statements.

The financial statements were approved and authorised on 31 May 2017 for issue by the Board of Directors and were signed on its behalf by:

  
**Paul Abberley**  
Director

# EBS MANAGEMENT PLC

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	Share Capital £	Retained Earnings £	Total £
<b>1 April 2015</b>	50,000	1,315,144	1,365,144
Loss for the year	-	(48,570)	(48,570)
Total comprehensive income for the year	-	(48,570)	(48,570)
Share options: value of employee services	-	1,300	1,300
<b>31 March 2016</b>	<b>50,000</b>	<b>1,267,874</b>	<b>1,317,874</b>
Profit for the year	-	30,811	30,811
Total comprehensive income for the year	-	30,811	30,811
Share options: value of employee services	-	357	357
Issue of share capital	350,000	-	350,000
<b>31 March 2017</b>	<b>400,000</b>	<b>1,299,042</b>	<b>1,699,042</b>

The notes on pages 11 to 22 form part of these financial statements.

# EBS MANAGEMENT PLC

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash from operating activities	14	2,478,188	3,089,309
Interest received	7	1,562	14,411
<b>Net cash from operating activities</b>		<b>2,479,750</b>	<b>3,103,720</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(7,350)
<b>Net cash from investing activities</b>		<b>-</b>	<b>(7,350)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of ordinary share capital	12	350,000	-
<b>Net cash from financing activities</b>		<b>350,000</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,829,750</b>	<b>3,096,370</b>
Cash and cash equivalents at the start of the year		3,497,827	401,457
<b>Cash and cash equivalents at the end of the year</b>	11	<b>6,327,577</b>	<b>3,497,827</b>

The notes on pages 11 to 22 form part of these financial statements.

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 1. General information

EBS Management PLC ("the Company") was a subsidiary of Charles Stanley Group PLC ("Charles Stanley" or "the Group") at 31 March 2017. The transfer of control of the Company from Charles Stanley Group PLC to Embark Group Limited is expected to complete on 1 June 2017. The Company acts as pension administrator of SIPPs and SIFs and is regulated by the Financial Conduct Authority ("FCA").

The Company is regulated by the Financial Conduct Authority and its parent company is a public limited company which is listed on the London Stock Exchange and is incorporated and domiciled in the UK. The address of its registered office is 55 Bishopsgate, London, EC2N 3AS.

### 2. Basis of preparation and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation of financial statements

The Company's financial statements are presented and prepared on a going concern basis and in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC Interpretations (IFRSs as adopted by the EU), and the Companies Act 2006 applicable to companies reporting under IFRS.

The Directors considered the key risks to the business, including the risk that the sale to Embark Group Limited does not complete, in assessing whether the going concern basis is appropriate. The Directors have, at the time of approving the Financial Statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

#### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### 2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Revenue is shown net of value added tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

##### 2.3.1 Fees

Administration fees are accrued over the period the service is provided.

##### 2.3.2 Interest income

Interest income is recognised using the effective interest method.

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 2. Basis of preparation and significant accounting policies (continued)

#### 2.4 Share-based payments

The Group operates various equity-settled share-based payments schemes under which the Company receives services from employees as consideration for equity instruments (share options or share awards) of Charles Stanley Group PLC. The fair value of the employee services received in exchange for the grant of the share options or share awards is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the share options or share awards granted on the grant date:

- Including market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period);
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of share options or share awards that are expected to vest.

The total employee expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of share options or share awards that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the share options or share awards are exercised, Charles Stanley Group PLC issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium in Charles Stanley Group PLC when the share options or share awards are exercised.

Upon completion of the sale of the Company to Embark Group Limited, existing share option holders are to be treated as good leavers as defined in the associated share option agreement. Good leavers may exercise their options proportionally in accordance with the scheme rules.

#### 2.5 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the UK.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 2. Basis of preparation and significant accounting policies (continued)

#### 2.5 Current and deferred income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

#### 2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

Furniture, fittings and equipment 3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

#### 2.7 Trade receivables

Trade receivables are amounts due from clients and other counterparties for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented in non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### 2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash held at call with banks.

#### 2.9 Trade payables

Trade payables consist of amounts payable to clients and other counterparties and obligations to pay suppliers for goods or services in the ordinary course of business. Account payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 2. Basis of preparation and significant accounting policies (continued)

#### 2.10 Application of new and revised IFRSs and changes in accounting policy

The Company has consistently followed the same accounting policies, presentation and methods of computation in these financial statements as applied in the Company's financial statements for the year ended 31 March 2016.

A number of new standards and amendments to standards and interpretations are effective for periods beginning on or after 1 April 2017. The following new standards are not applicable to these financial statements but are expected to have an impact when they become effective. The Company plans to apply these standards in the reporting period in which they become effective.

##### 2.10.1 IFRS 9 Financial Instruments

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and measurement. It includes revised guidance on the classification and measurement of financial instruments. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

##### 2.10.2 IFRS 15 Revenue from contracts with customers

IFRS 15 outlines a single comprehensive model for revenue arising from contracts with customers and supersedes existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for periods commencing on or after 1 January 2018.

##### 2.10.3 IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases. It eliminates the classification of leases as either operating leases or finance leases. Any leases with more than 12 months' term are to be recognised as a lease asset in the Statement of Financial Position and the related future lease obligations shown as a liability. IFRS 16 is effective for annual periods commencing on or after 1 January 2019.

The Directors do not expect the implementation of these new standards to have a material impact on the financial statements.

### 3. Use of judgements and estimates

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.

The Company makes estimates and assumptions concerning the future. The results accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 4. Results from operating activities

The operating result is stated after charging:

	2017	2016
	£	£
Directors' emoluments	111,644	149,835
Company pension contribution to money purchase scheme	19,050	24,017

Directors' emoluments and company pension contributions to the money purchase scheme relate to short-term employee benefits.

The number of Directors to whom retirement benefits were accruing was as follows:

	2017	2016
	£	£
Money purchase schemes	1	1

Emoluments disclosed above include the following amounts paid to the highest paid Director:

	2017	2016
	£	£
Emoluments for qualifying services	102,695	93,840
Company pension contributions to money purchase scheme	19,050	18,768

### 5. Auditor's Remuneration

	2017	2016
	£	£
Fees payable to the Company's auditor:		
Audit of Company's annual accounts	10,000	8,500
Other assurance services	5,000	7,500
	15,000	16,000

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 6. Employee benefit expenses

	2017	2016
	£	£
Wages and salaries	1,402,953	1,374,540
Social security contributions	125,803	125,274
Share options - value of employee services	357	1,300
Pensions	141,214	137,069
	<b>1,670,327</b>	<b>1,638,183</b>

The average monthly number of employees, including the Directors, during the year was 33 (2016: 35).

### 7. Finance income

	2017	2016
	£	£
Bank interest	1,562	14,411

### 8. Income taxes

	2017	2016
	£	£
Analysis of tax charge/(credit) for the year:		
<b>Current tax</b>		
Continuing operations	9,248	(12,087)
Adjustments in respect of prior years	(1,255)	145
	<b>7,993</b>	<b>(11,942)</b>

The effective tax rate for the year is different to the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below.

	2017	2016
	£	£
Profit/(loss) before tax from operations	38,804	(60,512)
Profit/(loss) multiplied by rate of corporation tax in the UK of 20% (2016: 20%)	7,761	(12,102)
Expenses not allowed for tax	18	48
Adjustments in respect of prior years	(1,255)	145
Other adjustments	1,469	(33)
	<b>232</b>	<b>160</b>
Tax charge/(credit) for the year	<b>7,993</b>	<b>(11,942)</b>

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 9. Property, plant and equipment

	Office Equipment £
<b>Cost</b>	
At 1 April 2016	7,350
Disposals	(7,350)
At 31 March 2017	-
<b>Depreciation</b>	
At 1 April 2016 and 31 March 2017	-
<b>Net book value</b>	
At 31 March 2017	-
At 31 March 2016	7,350

### 10. Trade and other receivables

	2017 £	2016 £
Amounts owed by Group undertakings	327,164	239,447
Trade receivables	1,220,220	1,104,312
Other receivables	123,045	39,245
	<b>1,670,429</b>	<b>1,383,004</b>

### 11. Cash and cash equivalents

	2017 £	2016 £
Cash at bank	6,327,577	3,497,827

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 12. Share capital

	2017 £	2016 £
<b>Authorised</b>		
500,000 Ordinary shares of £1 each	500,000	500,000
1,000,000 Preference shares of £1 each	1,000,000	1,000,000
<b>Issued and fully paid</b>		
400,000 (2016: 50,000) Ordinary shares of £1 each	400,000	50,000
456,542 Preference shares of £1 each	456,542	456,542

During the year, the Company issued 350,000 ordinary shares of £1 each at par which were subscribed for by Charles Stanley.

The preference shares may be redeemed in whole or part at any time on such terms, for such amounts and in such manner as Charles Stanley (the holders of all the preference shares) sees fit. They are therefore classified as current liabilities in accordance with International Financial Reporting Standards. Holders of the preference shares are not entitled to vote at any General Meeting of the Company. Holders of the preference shares have the right on a winding up to receive, equally with the holders of the ordinary shares, £1 per share.

### 13. Trade and other payables

	2017 £	2016 £
Amounts owed to Group undertakings	4,275,264	1,702,924
Social security and other taxes	910,379	752,813
Accruals and deferred income	647,531	597,837
	<b>5,833,174</b>	<b>3,053,574</b>

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 14. Reconciliation of net profit to cash generated from operations

	2017	2016
	£	£
Profit/(loss) before tax	38,804	(60,512)
Adjustments for:		
Interest income	(1,562)	(14,411)
Loss on disposal of property, plant and equipment	7,350	-
Share option expense	357	1,300
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(287,425)	1,084,353
Increase in trade and other payables	2,720,664	2,078,579
Net cash inflow from operations	2,478,188	3,089,309

### 15. Fair values and risk management

Through its normal operations the Company is exposed to a number of risks. The most significant financial instrument risks are credit risk and liquidity risk. Information is presented below regarding the exposure to each of these risks and the procedures for measuring and managing them.

#### 15.1 Credit risk

Trade receivables represent monies due from clients and market counterparties. The Risk department undertakes reviews of new accounts and periodically reviews all counterparties.

Cash and cash equivalents are held with regulated financial institutions with investment grade credit ratings. The list of approved banks is reviewed at least annually. The Company has no concerns over the credit quality of these institutions.

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 15. Fair values and risk management (continued)

#### 15.1 Credit risk (continued)

An ageing analysis of the Company's financial assets is presented in the following table:

	Neither due nor impaired	0-3 months	3-6 months	6-12 months	Over 1 year	Carrying value
<b>At 31 March 2017</b>						
Trade and other receivables	-	1,439,276	37,836	126,588	66,729	1,670,429
Cash and cash equivalents	6,327,577	-	-	-	-	6,327,577
<b>At 31 March 2016</b>						
Trade and other receivables	-	1,187,501	42,779	127,143	25,581	1,383,004
Cash and cash equivalents	3,497,827	-	-	-	-	3,497,827

Due to a disclosure error in the prior year, the ageing analysis in the above table has been re-presented. The ageing of trade and other receivables was disclosed in the prior year as follows; Neither due nor impaired: £891,029; 0-3 months: £57,025; 3-6 months: £8,835; 6-12 months: £186,668; Over 1 year: £nil.

#### 15.2 Liquidity risk

This is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company maintains a mixture of cash and cash equivalents that is designed to meet the Company's operational and trading activities. The Company does not use the wholesale markets for any funding and is confident that it has sufficient liquidity for the foreseeable future. At 31 March 2017, the Company had £6,327,577 in bank accounts and accordingly a high degree of liquidity.

The Company's financial liabilities comprise trade and other payables and financial liabilities which are all repayable on demand or within three months.

#### 15.3 Business risk

This is defined as the risk that income falls or is volatile relative to the cost base of the Company. It is also defined in a broader sense as exposure to macro-economic, geopolitical, industrial, regulatory and other external risks. This is managed through strategic and operational planning.

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 15. Fair values and risk management (continued)

#### 15.4 Regulatory risk

The Company operates in a regulated financial services sector. The Directors monitor developments in regulation, assesses the impact on the business, and implements any changes that will be required to meet these requirements and ensure that the Company's capital levels meet or exceed regulatory requirements. Periodic reviews are conducted internally to reduce the likelihood of significant regulatory breaches.

#### 15.5 Reputational risk

The Company has built a reputation as a leading pension administrator. This has been carefully developed over many years and there is a risk that reputational damage could lead to a loss of our existing client base, which could possibly lead to financial loss. This risk is monitored and managed by the Company's emphasis on compliance with all aspects of relevant regulations, including those of the FCA.

### 16. Related party transactions

Details of transactions between the Company and its fellow group companies which are related parties are disclosed below:

	2017 £	2016 £
<b>Amounts owed by Group undertakings:</b>		
Charles Stanley Financial Solutions Limited	-	150
Charles Stanley Group PLC	160,000	-
Charles Stanley Investment Choices Limited	167,164	239,297
	<b>327,164</b>	<b>239,447</b>
	-	-
<b>Amounts owed to Group undertakings:</b>		
Charles Stanley Group PLC	-	190,000
Charles Stanley & Co. Limited	4,275,264	1,512,924
	<b>4,275,264</b>	<b>1,702,924</b>

During the year, Charles Stanley & Co. Limited paid operational expenses totaling £2,203,192 (2016: £2,188,379) on behalf of the Company. A balance of £4,275,264 (2016: £1,512,924 payable) was payable by the Company to Charles Stanley & Co. Limited at the year end.

At the year end, a balance of £160,000 was receivable from Charles Stanley Group PLC (2016: £190,000 payable) in relation to the subscription for new ordinary shares in the Company.

An amount of £167,164 (2016: £239,297) was receivable by the Company as at 31 March 2017 from Charles Stanley Investment Choices Limited in relation to Group tax relief.

### 17. Cost allocation

In the year ended 31 March 2017, £729,669 of central Group costs were allocated to EBS Management PLC (2016: £730,264).

# EBS MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### **18. Capital Risk Management**

The Company's objectives when managing capital are determined by its parent company. The Company meets its capital needs by equity financing. The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company must at all times monitor and demonstrate compliance with the regulatory capital requirements. The Company has put in place processes and controls to monitor compliance with FCA regulatory requirements as a result of which £350,000 of additional equity capital was issued during the year to Charles Stanley.

### **19. Ultimate controlling party**

At the reporting date, the Company was a subsidiary undertaking of Charles Stanley Group PLC which was the ultimate parent company, incorporated in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Charles Stanley Group PLC, registered at 55 Bishopsgate, London, EC2N 3AS. No other group financial statements include the results of the Company. The consolidated financial statements of this Group are available to the public and may be obtained from 55 Bishopsgate, London, EC2N 3AS.

### **20. Contingent liabilities**

In the normal course of business, the Company is exposed to certain legal and tax issues which could, in the event of a dispute, develop into litigious proceedings and in some cases may result in contingent liabilities. During the year ended 31 March 2017, the Company has not become engaged or involved in, or otherwise subject to, any litigation.

### **21. Subsequent events**

On 11 April 2017, Charles Stanley Group PLC announced the sale of the Company to Embark Group Limited under the terms of a Sale and Purchase Agreement. Under the terms of the Sale and Purchase agreement, a pre-completion dividend of £275,000 was paid on 25 May 2017. In addition, Charles Stanley Group PLC has agreed to sublet the trading premises of the Company following the change of control. Transfer of ownership of the Company to Embark Group Limited is expected to take effect on 1 June 2017.