Company Registration No. 998606 (England & Wales)

EBS MANAGEMENT PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

CONTENTS

COMPANY INFORMATION

Directors	Michael R I Lilwall Kate Ragnauth James H Rawlingson (resigned 07 January 2015) Paul Abberley (appointed 09 December 2014) Ben Money-Coutts (appointed 29 January 2015)
Company secretary	Julie M Ung
Registered number	998606
Registered office	25 Luke Street London EC2A 4AR
Auditors	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL
Bankers	Bank of Scotland New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN

DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2015

The Directors submit their report and financial statements for the year ended 31 March 2015.

Principal activities and business review

The principal activity of the Company in the year under review was that of pension administrators regulated by the Financial Conduct Authority ("FCA").

The results for the year and financial position of the Company are shown on pages 7 and 8 respectively.

SIPP Scheme numbers under administration increased 31.1% to 10,220 at 31 March 2015 (2014:7,795), largely as a result of significant growth of Charles Stanley Alpha SIPPs, the Charles Stanley Direct SIPP and white label SIPPs. This is reflected by an increase in turnover of 13.7% to £2.6 million (2014: £2.3 million).

Administration expenses rose 52.6% to £2.9 million (2014: £1.9 million) as a result of the group cost allocation project undertaken in year ending 31 March 2015, which is discussed further in note 17 in the notes to Financial statements. As a result of the project, EBS Management PLC was allocated £684,500 administration expenses.

The cost allocation project has led to EBS Management PLC making an operating loss of £262,583 (2014: £427,187 profit). Excluding the cost allocation, the operating profit would have fallen marginally by 1.2% to £421,917 (2014: £427,187).

Outlook
Two principal external factors shape our outlook: changes to pension legislation and SIPP operator regulation. The far reaching overhaul of pension legislation announced by the UK government in March 2014, removing the requirement to buy annuities and allowing more freedom to draw their pension savings, is likely to make pension saving more attractive. It is anticipated that this will help to continue to drive an increase in SIPP numbers.

The other principal external influence that continues to shape the future of the business is regulation, which represents both a challenge and an opportunity. The challenge is to keep on top of and remain fully compliant with the weight of SIPP operator regulation, and to be able to cope with the increased operating cost and capital requirement that goes hand-in–hand with this. As a result of this scale and a strong balance sheet are increasingly important and EBS enjoy both of these attributes as a member of the Charles Stanley group of companies.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Company's long term performance:

Credit risk
This represents the risk of the loss through default by a counter-party. The most significant risk to the Company is either a client or market counterparty failing to settle a transaction. The Group risk department undertakes a review of new accounts and periodically review all counterparties. The Company has an effective credit control department to recover any monies owed through default.

Market risk
This is the risk that arises from fluctuations in values of, or income from, assets or in interest or exchange rates.

Operational risk
This is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk.

DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2015

Liquidity risk
This is the risk that the Company, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost.
The Company maintains a mixture of cash and cash equivalents that is designed to meet its 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 2015 the Company had £0.4 million cash at bank (2014: £2.61 million).

Business risk
This is defined (in a narrow sense) 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.

Regulatory risk
The Company operates in a heavily 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.

Reputational risk
The Company has built a reputation as a leading financial services firm providing services in respect of pensions. 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.

Further disclosures on financial risk management are shown in Note 3 of the financial statements, and Pillar 3 disclosures are available here: http://www.charles-stanley.co.uk/investor-relations/pillar-3-disclosure

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. Our staff are one of the key assets of the organisation and it is our policy to attract and retain the best people. Where appropriate we take their views into account when making decisions likely to affect their interests. We have a number of both informal and formal forums for staff and senior management, in addition to a formal appraisal system.

Political and charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the year.

Results and dividends

The loss for the year, after taxation, amounted to £200,929 (2014: £350,212 profit). Dividends of nil (2014: £400,000) were paid during the year from retained earnings.

Directors

The Directors named on page 2 served throughout the year unless otherwise stated.

Auditor

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

DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2015

Going Concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on page 3.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent, Charles Stanley Group PLC to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of EBS Management PLC to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Charles Stanley Group, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of Directors' responsibilities

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 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 for 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 applicable IFRSs as adopted by the European Union 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 to 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.

Statement of disclosure to auditor

The Directors who held office at the date of approval of this Director's report confirm that so far as they are each aware, there is no relevant information of which the Company's auditor is unaware; and each Director has taken all the audit steps that they ought to have taken as a Director to make them aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

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Julie M Ung
Company secretary
21 July 2015

Company Registration No. 998606 (England & Wales)

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

We have audited the financial statements of EBS Management PLC for the year ended 31 March 2015 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.

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 2015 and of its loss 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

• the financial statements are not in agreement with the accounting records and returns; or

• certain disclosures of Directors' remuneration specified by law are not made; or

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

• the Directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

S. Ryder

Simon Ryder (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
21 July 2015

INCOME STATEMENT
YEAR ENDED 31 MARCH 2015

	Notes	2015	*2014*
		£	£
Continuing operations			
Revenue		**2,642,013**	2,323,871
Administrative expenses	17	**(2,904,595)**	(1,896,684)
Results from operating activities	6	**(262,582)**	427,187
Finance income	8	**11,227**	28,068
Finance costs	9	**(1,202)**	-
(Loss) / Profit before taxation		**(252,557)**	455,255
Tax expense	10	**51,628**	(105,043)
(Loss) / Profit for the year		**(200,929)**	350,212

There was no comprehensive income or loss for 2015 or 2014 other than that included in the income statement and as such no Statement of Comprehensive Income has been presented. All amounts are arising from continuing operations.

The notes on pages 11 to 22 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2015

	Notes	2015	*2014*
		£	£
Assets			
Trade and other receivables	11	**2,395,224**	769,665
Cash and cash equivalents	12	**401,457**	2,607,213
Current assets		**2,796,681**	3,376,878
Total assets		**2,796,681**	3,376,878
Equity			
Share capital	14	**50,000**	50,000
Retained Earnings		**1,315,144**	1,515,335
Equity attributable to owners of the Company		**1,365,144**	1,565,335
Liabilities			
Trade and other payables	13	**974,995**	1,251,286
Current tax liabilities		**-**	103,715
Preference shares	14	**456,542**	456,542
Current liabilities		**1,431,537**	1,811,543
Total equity and liabilities		**2,796,681**	3,376,878

The financial statements were approved by the Board on 21 July 2015.

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Michael R I Lilwall
Director

Company Registration No. 998606 (England & Wales)

The notes on pages 11 to 22 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2015

	Share Capital £	Retained Earnings £	Total £
1 April 2013	50,000	1,561,070	1,611,070
Profit for the year	-	350,212	350,212
Dividends paid to equity shareholders	-	(400,000)	(400,000)
Share options - value of employee services	-	4,052	4,052
31 March 2014	50,000	1,515,334	1,565,334
Profit for the year	-	(200,929)	(200,929)
Transactions with owners, recorded directly in equity			
Share options - value of employee services	-	739	739
31 March 2015	**50,000**	**1,315,144**	**1,365,144**

The notes on pages 11 to 22 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2015

	Notes	2015 £	*2014* £
Cash flows from operating activities			
Cash generated from operating activities	15	**(2,215,781)**	433,151
Interest received		**11,227**	28,068
Interest paid		**(1,202)**	-
Net cash (outflow) / inflow from operating activities		**(2,205,756)**	461,219
Net (decrease) / increase in cash and cash equivalents		**(2,205,756)**	461,219
Cash and cash equivalents at start of year		**2,607,213**	2,145,994
Cash and cash equivalents at end of year	12	**401,457**	2,607,213

The notes on pages 11 to 22 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

1 General information

EBS Management PLC ("the Company") is a wholly owned subsidiary of Charles Stanley Group PLC. The Company provides pension administration services to clients within the UK.

The Company is authorised and regulated by the Financial Conduct Authority and is incorporated and domiciled in the UK. The address of its registered office is 25 Luke Street, London.

2 Summary of 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

The financial statements of the Company have been 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 financial statements have been prepared under the historical cost convention.

The financial statements are prepared in British Pounds, which is the Company's functional currency. All *financial information is presented in British Pounds rounded to the nearest pound.*

The financial statements were authorised for issue by the Board on the 21 July 2015.

2.1.1 Changes in accounting policy and disclosures

The Company is assessing the potential impact on its consolidated financial statements resulting from the following new standards, which are currently not yet effective and are not yet endorsed by the EU.

a) 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 only effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

b) IFRS 15 Revenue from contracts with customers
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction
Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is only effective for periods beginning on or after 1 January 2018, with early adoption permitted.

c) IASB has published annual improvements 2014 (2012- 2014 cycle). These set of amendments impacts 4 standards:
•IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
•IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
•IAS 19,'Employee benefits' regarding discount rates.
•IAS 34, 'Interim financial reporting' regarding disclosure of information.

d) IAS16 and IAS 38 amendments
The IASB decided that bearer plants are to be accounted for as property, plant and equipment because they display similar to characteristics to manufacturing. Therefore the amendments include them under the scope of IAS 16, as opposed to of IAS 41.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) The IASB issued Annual Improvements to IFRSs 2011-2013 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2011-2013 cycle. The amendments reflect issues discussed by the IASB during the project cycle that began in 2011, and that were subsequently included in the Exposure Draft of proposed amendments to IFRSs, Annual Improvements to IFRSs 2011-2013 Cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are:

•IFRS 1: Meaning of effective IFRSs;
•IFRS 3: Scope exceptions for joint ventures;
•IFRS 13: Scope of paragraph 52 (portfolio exception); and
•IAS 40: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property.

f) The IASB issued Annual Improvements to IFRSs 2010-2012 Cycle, a collection of amendments to IFRSs, in response to eight issues addressed during the 2010-2012 cycle. The amendments reflect issues discussed by the IASB during the project cycle that began in 2010, and that were subsequently included in the exposure draft of proposed amendments to IFRSs. The issues included in this cycle are:

•IFRS 2: Definition of 'vesting condition'
•IFRS 3: Accounting for contingent consideration in a business combination
•IFRS 8: Aggregation of operating segments
•IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets
•IFRS 13: Short-term receivables and payables
•IAS 7: Interest paid that is capitalised
•IAS 16/IAS 38: Revaluation method—proportionate restatement of accumulated depreciation
•IAS 24: Key management personnel.

Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods.

2.2 Financial Assets

2.2.1 Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprises of trade and other receivables and cash and cash equivalents in the statement of financial position (notes 2.4 and 2.5).

2.2.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Share based payments

The Company operates a Save As You Earn scheme under which the entity receives services from employees as consideration for equity instruments (options) of the Charles Stanley Group PLC. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- 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); and
- 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 options that are expected to vest. The total expense is recognised 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 options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

2.4 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.

2.5 Cash and cash equivalents

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

2.6 Segregated funds

Segregated funds are held in trust by the Company on behalf of clients in accordance with the Client Asset Rules of the Financial Conduct Authority and the corresponding liability to clients is not shown in the statement of financial position.

2.7 Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company. To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Current income tax 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.

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.

2.9 Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised on future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.10 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 and of rebates.

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. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Commission
Commission income and expenses are recognised on a trade date basis.

(b) Fees
SIPP and SSAS management fees, and administration fees are recognised when earned.

(c) Interest income
Interest income is recognised using the effective interest method.

The Company does not analyse performance by geographic segments internally as the Company operations are entirely within the UK.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

3 Financial risk management

Through its normal operations the Company is exposed to a number of risks, the most significant of which are interest rate, credit and liquidity risks.

Interest rate risk
This is the risk that changes in interest rates will affect the Company's income. The Company has interest bearing assets, principally cash and cash deposits. The Company views such exposure to interest rate fluctuations as immaterial. The Company does not hold derivatives on its own account.
If interest rates had been 200 basis points higher or lower profit for the year would have been £41,314 higher (2014: £52,000) or £18,860 lower (2014: £28,068)

Credit risk
Credit Risk is the risk of financial loss if a customer or counterparty fails to meet its obligations under a contract. Trade receivables represent monies due from clients and market counterparties. The Charles Stanley Group Risk Department undertakes reviews of new accounts and periodically reviews all counterparties.

Cash and cash equivalents are held with regulated financial institutions with a credit rating of no less than AA- The list of approved banks is reviewed at least annually by the Charles Stanley Group treasury committee. The Company has no concerns over the credit quality of these institutions.
The following table of financial assets analyses amounts by ageing:

31 March 2015

	Neither due nor impaired	0-3 months	3-6 months	6-12 months	Over 1 year	Impaired	Carrying value
	£	£	£	£	£	£	£
Trade and other receivables	**740,164**	**85,578**	**59,780**	**36,792**	**23,396**	**-**	**945,710**
Cash and cash equivalents	**401,457**	**-**	**-**	**-**	**-**	**-**	**401,457**

31 March 2014

	Neither due nor impaired	0-3 months	3-6 months	6-12 months	Over 1 year	Impaired	Carrying value
	£	£	£	£	£	£	£
Trade and other receivables	487,302	104,580	24,077	14,795	24,575	-	655,329
Cash and cash equivalents	2,607,213						2,607,213

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's financial liabilities are represented by other taxes and social security and preference shares only. Other taxes and social security are payable within the next 3 months. Preference shares are all payable on demand.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

3 Financial risk management (continued)

3.1 Fair value of financial instruments

The carrying value of financial assets not held at fair value (cash and cash equivalents, trade receivables, other receivables, and trade and other payables) is not significantly different from the fair value.

The Company's Directors follow risk management policies, which include specific guidelines on the management of interest rate, credit and liquidity risks, and advice on the use of financial instruments to manage them.

4 Critical accounting estimates and judgements

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 resulting 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.

5 Employee benefit expense

	2015	*2014*
	£	*£*
Wages and salaries	**1,357,899**	1,151,376
Social security costs	**130,226**	130,327
Share options – value of employee services	**739**	4,052
Other pension costs – defined contribution schemes	**124,700**	120,694
	1,613,564	1,406,449

The average monthly number of employees during the period was as follows:		
Professional	**7**	8
Financial	**-**	-
Administration	**26**	24
Selling	**-**	-
	33	32

This year, employees have been categorised into Professional, Financial and Administration to be in line with the rest of the Group.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

6 Results from operating activities

	2015	*2014*
	£	*£*
The results are stated after charging:		
Operating lease rentals:		
-other operating leases	**24,972**	47,117
Directors' emoluments	**168,498**	108,120
Company pension contributions to money purchase scheme	**22,369**	18,584
The number of Directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	**1**	1

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

	2015	*2014*
	£	*£*
Emoluments for qualifying services	**108,840**	108,120
Company pension contributions to money purchase scheme	**18,768**	18,584
	127,608	126,704

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

In 2015, the directors' emoluments include the cost allocation in relation to the work performed by the Charles Stanley Group Plc's directors.

7 Auditor remuneration

	2015	*2014*
	£	*£*
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**10,000**	10,000

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the Company's Parent, Charles Stanley Group PLC.

8 Finance income

Bank interest	**11,227**	28,068

9 Finance cost

Interest paid	**1,202**	-

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

10 Tax expense

	2015	2014
	£	£
Analysis of charge in the year		
Current taxation		
Continuing operations	(52,978)	103,715
Adjustments in respect of prior years	1,350	1,328
	(51,628)	105,043

The tax charged for the year is higher than the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below.

	2015	2014
	£	£
(Loss) / Profit before tax	(252,557)	455,255
Profit multiplied by the standard rate of tax of	(53,037)	104,709
Tax effects of:		
Expenses not allowed for tax	353	390
Expenses now allowed for tax		-
Adjustments in respect of prior years	1,350	1,328
Other adjustments	(294)	(1,384)
Tax (credit) / charge for the year	(51,628)	105,043

Reductions in the UK corporation tax rate from 23% to 21% (effective 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly.

The deferred tax asset at 31 March 2015 has been calculated based on the rate of 20%, as substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

11 Trade and other receivables

	2015 £	*2014* £
Trade receivables	**904,600**	617,426
Amounts due from group undertakings	**1,449,514**	114,336
Other receivables	**41,110**	37,903
	2,395,224	769,665

12 Cash and cash equivalents

Firm's cash at bank	**401,457**	2,607,213

13 Trade and other payables

Amounts owed to parent and fellow subsidiary undertakings	**190,000**	573,307
Social security and other taxes	**157,950**	126,132
Accruals and deferred income	**627,045**	551,847
	974,995	1,251,286

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

14 Share capital

Authorised

	2015 £	*2014* £
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

Issued and fully paid

	2015 £	*2014* £
50,000 Ordinary shares of £1 each	**50,000**	50,000
456,542 Preference shares of £1 each	**456,542**	456,542

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 Group PLC (the holders of all the preference shares) thinks 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, the sum of £1 a share.

15 Cash flows from operating activities

Cash used from operations	2015 £	*2014* £
(Loss) / profit before tax for the year	**(252,557)**	455,255
Adjustments for:		
Share option expense	**739**	4,052
Interest income	**(11,227)**	(28,068)
Interest expense	**1,202**	-
Changes in working capital:		
(Increase) in trade and other receivables	**(1,677,647)**	(272,008)
(Decrease) / Increase in trade and other payables	**(276,291)**	273,920
Cash generated from continuing operations	**(2,215,781)**	433,151

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

16 Related party transactions

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

	2015	*2014*
	£	£
Amounts due (to)/from group companies:		
Charles Stanley Group PLC	**(190,000)**	(190,000)
Charles Stanley & Co. Ltd	**1,282,200**	(383,307)
Charles Stanley Financial Solutions Ltd	**150**	150
Garrison Investment Analysis Ltd	**167,164**	114,186
	1,259,514	(458,971)

During the year, the Company earned £3,000 (2014: £nil) in respect to fees from Charles Stanley & Co Limited.

Charles Stanley & Co Limited paid operational expenses of £2,299,432 (2014: £1,877,258) on behalf of the Company. EBS Management PLC also provided funds to Charles Stanley & Co Limited in consideration of expenses. At 31 March 2015, a balance of £1,282,200 (2014: £383,307) was due to EBS.

The funds transferred to Charles Stanley & Co. Limited exceeded the operating expenses incurred by EBS Management PLC. This occurred as Charles Stanley Group PLC's treasury policy stipulates cash held with subsidiaries in excess of ordinary day-to-day operation of the business is to be transferred to Charles Stanley & Co. Limited.

At the year end, a balance of £190,000 (2014: £190,000) was payable to Charles Stanley Group PLC as at 31 March 2015.

EBS provided £52,978 in the year ended 31 March 2015 in respect of tax relief to Garrison Investment Analysis Limited. This amount £167,164 (2014: £114,186) was receivable by the Company as at 31 March 2015.

At the year end, a balance of £150 (2014: £150) was receivable by the Charles Stanley Financial Solutions Ltd.

17 Cost allocation

The board elected to introduce a cost allocation project to aid accurate and appropriate costs across the group in order to highlight the profitability of divisions and subsidiaries.

In the year ended 31 March 2015, £684,500 of central costs were allocated to EBS Management PLC.

18 Control

The parent and ultimate parent company is Charles Stanley Group PLC a company registered in England and Wales.

Charles Stanley Group PLC prepares Group financial statements and copies can be obtained from the registered office shown on the company information page.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

19 Capital risk management

The Company's objectives when managing capital are determined by its ultimate 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's regulatory capital requirement is £643,000. The capital resources comprise share capital & retained earnings of £1,240,050.

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 and no breaches were reported during the year.

20 Subsequent events

There were no material adjusting events or events requiring disclosure after the balance sheet date.