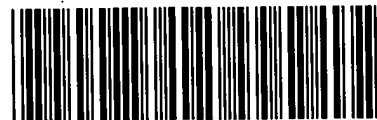


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**Report of the Directors and  
Financial Statements for the Year Ended 31 March 2015  
for  
Savoy Investment Management Limited**

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for the Year Ended 31 March 2015**

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**Savoy Investment Management Limited**

**Company Information  
for the Year Ended 31 March 2015**

**DIRECTORS:**

R Devey  
P Wright  
J Porteous

**SECRETARY:**

J Gregory

**REGISTERED OFFICE:**

Towry House  
Western Road  
Bracknell  
RG12 1TL

**REGISTERED NUMBER:**

01382994 (England and Wales)

**AUDITORS:**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**SOLICITORS:**

Dundas & Wilson  
Northwest Wing  
Bush House  
Aldwych  
London  
WC2B 4EZ

**Strategic Report  
for the Year Ended 31 March 2015**

The directors present their Strategic Report of Savoy Investment Management Limited ("the Company") for the year ended 31 March 2015.

**OVERVIEW**

The Company is a wholly owned subsidiary of Ashcourt Rowan Limited. On 1 April 2013, the trade and assets were transferred to its operating subsidiary, Ashcourt Rowan Asset Management Limited. Following the transfer, the company ceased trading and on 11 September 2013, became de-regulated from the Financial Conduct Authority. It is the directors intention to liquidate the company. The principal activity of the Company was the provision of investment management and stock broking services to private clients.

**BUSINESS REVIEW**

As shown in the Company's statement of comprehensive income the Company made a profit for the year ended 31 March 2015 of £nil (2014: profit of £7,000).

**FUTURE DEVELOPMENTS**

The directors expect the Company to continue to support Ashcourt Rowan Limited ("the Group").

**GOING CONCERN**

Following the directors' decision to transfer the trade and assets of the business, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. There are no effects on measurement of assets and liabilities as a result of preparing the financial statements on a basis other than that of a going concern. The financial statements have been prepared on the historical cost basis.

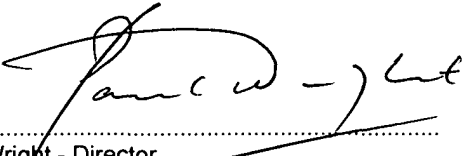
**PRINCIPAL RISKS AND UNCERTAINTY**

Market risk is a potential risk for the Company, as a large proportion of the revenue from the Company's subsidiaries is generated based on market values of portfolios. This risk is managed in the subsidiaries by applying sound portfolio strategies to manage the potential downside on any market fluctuations.

Some of the Company's subsidiaries are regulated by the Financial Conduct Authority which imposes a significant body of regulation on the business. The Company's subsidiaries operate a monitoring and review function headed by a director to ensure that the Company and its staff remain in compliance.

The Company is exposed to credit risk as described in note 14. This risk is not hedged.

**ON BEHALF OF THE BOARD:**

  
.....  
P Wright - Director

Date: 16 December 2015

**Report of the Directors  
for the Year Ended 31 March 2015**

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

The directors who have held office during the period from 1 April 2014 to the date of this report are as follows:

R Devey (appointed 7 May 2015)  
P Wright (appointed 7 May 2015)  
J Porteous (appointed 7 May 2015)

J Polin (resigned 7 May 2015)  
A Tagliabue (resigned 7 May 2015)  
R Sinclair (resigned 31 July 2014)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, Report of the Directors 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 as adopted by the European Union (IFRS). 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 that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 2 to the financial statements, the directors do not believe the going concern basis to be appropriate, and in consequence, these financial statements have not been prepared on that basis.

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.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2015 (2014: £nil).

**ENVIRONMENT**

The Ashcourt Rowan Limited group recognises the importance of its environmental responsibilities, and designs and implements its policies to reduce any damage that might be caused by the group's activities. The Company operates in accordance with group policies, which are described in the group's Annual Report which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption.

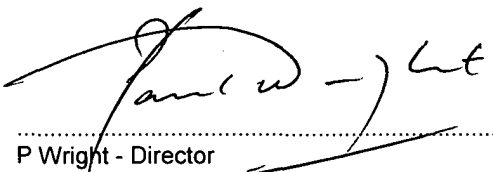
**HEALTH AND SAFETY**

The Company has in place a Health and Safety Policy which can be accessed by all staff via a staff website. The aim is to provide both staff and visitors with a safe and healthy working environment. The Company is committed to adhering to the high standards of health and safety set out by its policies and procedures and to providing training as necessary.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

  
.....  
P Wright - Director

Date: 16 December 2015

## **Report of the Independent Auditors to the Members of Savoy Investment Management Limited**

We have audited the financial statements of Savoy Investment Management Limited for the year ended 31 March 2015, which comprise of the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities, 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 Financial Reporting Council's (FRC'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 FRC'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 2015 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Report of the Directors 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.



Vanessa-Jayne Bradley (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 16 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**Income Statement  
for the Year Ended 31 March 2015**

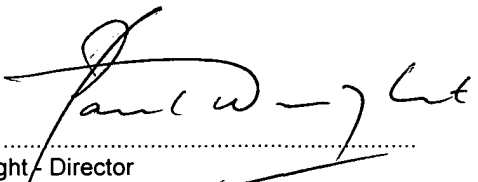
	Notes	2015 £	2014 £
	5	-	-
<b>LOSS BEFORE TAX</b>			
Tax	6	-	7,000
<b>PROFIT FOR THE YEAR</b>		-	7,000

There was no other comprehensive income in either the current or prior year.

**Statement of Financial Position**  
31 March 2015

	Notes	2015 £	2014 £
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade and other receivables	7	1,001,728	947,363
Cash and cash equivalents	8	<u>194</u>	<u>54,559</u>
		<u>1,001,922</u>	<u>1,001,922</u>
<b>NET CURRENT ASSETS</b>		<u>1,001,922</u>	<u>1,001,922</u>
<b>NET ASSETS</b>		<u>1,001,922</u>	<u>1,001,922</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	176,750	176,750
Share premium reserve	10	203,250	203,250
Equity reserve	10	397,069	397,069
Retained earnings	10	<u>224,853</u>	<u>224,853</u>
<b>TOTAL EQUITY</b>		<u>1,001,922</u>	<u>1,001,922</u>

The financial statements were approved by the Board of Directors on 16 December 2015 and were signed on its behalf by:

  
.....  
P Wright - Director



**Statement of Changes in Equity  
for the Year Ended 31 March 2015**

	Share capital £	Retained earnings £	Share premium reserve £	Equity reserve £	Total equity £
<b>Balance at 1 April 2013</b>	1,976,750	(1,582,147)	203,250	397,069	994,922
<b>Changes in equity</b>					
Share capital reduction	(1,800,000)	1,800,000	-	-	-
Total comprehensive income	-	7,000	-	-	7,000
<b>Balance at 31 March 2014</b>	<u>176,750</u>	<u>224,853</u>	<u>203,250</u>	<u>397,069</u>	<u>1,001,922</u>
<b>Changes in equity</b>					
Total comprehensive income	-	-	-	-	-
<b>Balance at 31 March 2015</b>	<u>176,750</u>	<u>224,853</u>	<u>203,250</u>	<u>397,069</u>	<u>1,001,922</u>

Share capital represents the nominal value of shares subscribed for. The share premium reserve represents the total amount subscribed for shares in excess of the nominal value, net of costs and net of amounts reduced on a court sanctioned reduction of the share premium account with credit to a distributable reserve which will be able to be applied in any manner in which the Company's profits available for distribution are able to be applied. The equity reserve represents the total amount charged, less any credits, in respect of share-based payments charged to the statement of comprehensive income. Retained earnings include all other gains and losses and transactions with owners not recognised elsewhere.

**Statement of Cash Flows**  
for the Year Ended 31 March 2015

		2015 £	2014 £
<b>Cash flows from operating activities</b>			
Cash used in operations	1	(54,365)	(744,198)
Interest paid		-	-
Tax received		<u>-</u>	<u>140,868</u>
Net cash from operating activities		<u>(54,365)</u>	<u>(603,330)</u>
<b>Decrease in cash and cash equivalents</b>		(54,365)	(603,330)
<b>Cash and cash equivalents at beginning of year</b>	2	<u>54,559</u>	<u>657,889</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>194</u></u>	<u><u>54,559</u></u>

**Statement of Cash Flows  
for the Year Ended 31 March 2015**

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH USED IN OPERATIONS**

	2015 £	2014 £
Profit before income tax	-	-
	<hr/>	<hr/>
(Increase)/decrease in trade and other receivables	(54,365)	1,172,508
Decrease in trade and other payables	-	(1,866,706)
Decrease in provisions	-	(50,000)
	<hr/>	<hr/>
<b>Cash used in operations</b>	<b><u>(54,365)</u></b>	<b><u>(744,198)</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of this statement of financial position amounts:

	2015 £	2014 £
Cash and cash equivalents	<u>194</u>	<u>54,559</u>

**Notes to the Financial Statements  
for the Year Ended 31 March 2015**

**1. GENERAL INFORMATION**

Savoy Investment Management Limited is a wholly owned subsidiary of Ashcourt Rowan Limited, a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report. These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Company operates.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs") and with those parts of the Companies Act 2006 applicable to reporting under IFRS.

As described more fully in the Strategic Report on page 2, following the directors' decision to transfer the trade and assets of the business, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. There are no effects on measurement of assets and liabilities as a result of preparing the financial statements on a basis other than that of a going concern.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below and have been applied consistently to all periods presented in these financial statements.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT and other sales-related taxes. Commission is recognised when a trade is executed and management fees are invoiced in arrears and are accrued to the year end. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**Cost of sales**

Cost of sales represents direct costs of revenue generation and includes direct salary costs and commission payments.

**Provisions**

Provisions are recognised when the Company has a present obligation as the result of a past event, when it is probable that the Company will be required to settle that obligation. Provisions are recognised at the Directors' best estimate of the expenditure required to settle the Company's liability.

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

**Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subject to initial recognition they are measured at amortised cost using the effective interest rate method less any impairment losses.

**Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**Trade and other payables**

Trade and other payables are recognised initially at fair value. Subject to initial recognition they are measured at amortised cost using the effective interest rate method.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

**Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015**

**2. ACCOUNTING POLICIES - continued**

**Share based payments**

The Parent issues equity-settled share-based payments to certain employees of the Company. Equity settled share-based payments are measured at fair value at the date of grant. Where market related vesting conditions exist the fair value is determined using the Black-Scholes model at the grant date or a Monte Carlo simulation model and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Where options that are currently in issue are modified during the period, the Company recognises the incremental increase in the fair value of the new options compared to the old options at the modification date and expenses this increase over the life of the modified award as well as the original expense.

The valuation models used together with the assumptions used on expected volatility, risk free rates, expected dividend yields and expected forfeiture rates are disclosed in note 14.

**New standards and interpretations**

The following new standards have been adopted in these financial statements, their adoption has not had any significant impact on the amounts reported in these financial statements but may have an effect on the company's future financial statements.

**IFRS 10: Consolidated Financial Statements**

IFRS 10 establishes principles for the preparation and presentation of consolidated financial statements when a reporting entity controls one or more investees.

**Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

The Amendments provide an exception from the requirements for a qualifying entity to consolidate its controlled investees and, instead, requires them to present their investments in subsidiaries as a net investment that is measured at fair value. The exception means that investment entities will be able to measure all of their investments at fair value using the requirements in IFRS.

**IFRS 9 Financial Instruments:** IFRS 9 has replaced IAS 39 in its entirety. Its adoption may result in changes to the classification and measurement of the Group's financial instruments, including any impairment thereof. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

None of the other new standards, interpretations and amendments not yet effective are expected to have a material effect on the group's future financial statements.

**3. SEGMENTAL REPORTING**

In the opinion of the directors, Savoy Investment Management Limited operates within a single geographic and business segment being UK wealth management activities.

**4. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 March 2015 or for the year ended 31 March 2014.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015

5. **PROFIT BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	2015 £	2014 £
Other operating leases	-	-
Depreciation - owned assets	-	-
Auditors' remuneration in respect of the statutory audit of the company for the current financial year	-	-
	<u>-</u>	<u>-</u>

6. **TAX**

**Analysis of tax expense**

	2015 £	2014 £
Current tax:		
Corporation tax - prior year credit	-	7,000
	<u>-</u>	<u>7,000</u>
Total tax income in income statement	<u>-</u>	<u>7,000</u>

**Factors affecting the tax expense**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before income tax	<u>-</u>	<u>-</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	-	-
Effects of:		
Non- deductible expenses	-	-
Depreciation in excess of capital allowances	-	-
Prior year adjustment	-	7,000
	<u>-</u>	<u>7,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015

7. TRADE AND OTHER RECEIVABLES

	2015 £	2014 £
Amounts owed by group undertakings	1,001,728	947,363

8. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Bank accounts	194	54,559

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2015 £	2014 £
Number:	Class:	Nominal value:		
707,000	Ordinary	25p	176,750	176,750

10. RESERVES

	Retained earnings £	Share premium reserve £	Equity reserve £	Totals £
At 1 April 2014	224,853	203,250	397,069	825,172
Deficit for the year	-	-	-	-
At 31 March 2015	224,853	203,250	397,069	825,172



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2015**

**11. RELATED PARTY DISCLOSURES**

Amounts due from and to other group companies and are included within inter-group balances on the statement of financial position:

	2015 £	2014 £
<b>Amounts due from group undertakings</b>		
Ashcourt Rowan Asset Management Limited	947,728	947,363
Ashcourt Rowan Financial Planning Limited	<u>54,000</u>	<u>-</u>
	<u>1,001,728</u>	<u>947,363</u>

**12. ULTIMATE CONTROLLING PARTY**

At the date of signing the financial statements the ultimate parent undertaking is Coleherne Holdings L.P., a company incorporated in Jersey.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015

13. SHARE-BASED PAYMENT TRANSACTIONS

Ashcourt Rowan Limited, the ultimate parent company, has established an unauthorised and authorised share option scheme. The scheme received HM Revenue and Customs approval on 9 November 2006. For each award the exercise price is not greater than the Market Value of the shares at the date of grant. The vesting period for each award is three years and options are settled by an allotment of shares to individuals.

The Parent issued 800,000 options on 21 March 2007 to employees of Savoy Investment Management Limited which were not included in the 2007 accounts but have been valued under the Black-Scholes Model and first accounted for in the year ending 31 March 2013. The valuation models used together with the assumptions on expected volatility, risk free rates, expected dividend yields and expected forfeiture rates are disclosed as below:

Weighted average share price	£0.675
Weighted average exercise price	£0.675
Expected volatility	3.34%
Expected life	5 years
Risk free rate	5.10%
Expected dividends	-

On 30 May 2008 Ashcourt Rowan plc issued options over a further 125,000 shares to employees of Savoy Investment Management which have been valued under the Black-Scholes model and first accounted for in the year to 31 March 2009. The inputs to the valuation of this issue are:

Weighted average share price	£0.85
Weighted average exercise price	£0.875
Expected volatility	7.63%
Expected life	3.5 years
Risk free rate	4.01%
Expected dividends	-

On 16 December 2008 employees released their entitlement to 925,000 options over the shares of the Parent Company. These options were replaced on 18 December 2008 by options over 925,000 shares which have been valued under the Black-Scholes model and accounted for in the year to 31 March 2009.

The inputs to the valuation of this issue are:

Weighted average share price	£0.0875
Weighted average exercise price	£0.12
Expected volatility	30%
Expected life	4 years
Risk free rate	2.63%
Expected dividends	-

If the options remain unexercised after a period of 10 years from the date of award the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest. Employees who are deemed 'good leavers' are entitled to exercise their option for a period of six months after they leave. The following share options granted under the scheme were in place at 31 March 2015:

Date option granted	Option price per share	Number of options
18 December 2008	12.0p	675,000

The number and weighted average exercise price ("WAEP") of share options outstanding are as follows:

	Number	WAEP pence
Outstanding at 31 March 2011 and 2012 - Pre consolidation	<u>675,000</u>	<u>12.00</u>
Outstanding at 31 March 2011 and 2012 - Post consolidation	6,750	0.12
Released during the year	<u>(2,250)</u>	<u>0.12</u>
Outstanding at 31 March 2013	4,500	0.12
Released during the year	<u>(1,000)</u>	<u>0.12</u>
Outstanding at 31 March 2014 and 2015	<u>3,500</u>	<u>0.12</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2015**

During the year no charge was made to the income statement in respect of amounts charged on options but forfeited in earlier years. The charge to the income statement was £nil (2014: £nil).

On 3 December 2009 the Company awarded 13 million shares, in the ultimate parent Company, to employees of the Group under a long term incentive plan. These shares vest in equal instalments on the first, second and third anniversaries of the award date, subject to certain performance related vesting conditions.

On 1 October 2010 the Company awarded 11.5 million ordinary shares to employees of the Group under the long term incentive plan. These shares are accounted for as equity settled share-based payments and vest on the third anniversaries of the award date, subject to certain performance related vesting conditions.

The fair value of these long term incentive awards has been calculated based on the likelihood of successful completion of the vesting conditions and has been charged to the income statement over the vesting period of the awards. The amount charged to the income statement during the year was £nil (2014: £nil).

At 31 March 2010 the Company provided for a deferred bonus to be awarded to staff for the year. The bonus took the form of a deferred award of shares, in the ultimate parent Company, to be issued in August 2011. Awards over 5 million shares were issued to the Company's employees. The Directors estimated the fair value at the grant date based on the market value of the shares awarded discounted to allow for forfeitures by employees, over the period from 1 April 2009 and 31 March 2011. The amount credited to the income statement during the year was £nil (2014: £nil).

On 5 December 2011, Ashcourt Rowan Plc undertook a consolidation of existing ordinary shares of £0.002 into new ordinary shares of £0.2. Every 100 existing ordinary shares held by Shareholders were consolidated into one new ordinary share of £0.2. The balance of shares outstanding at the end of the financial year has been adjusted following this transaction in the table below.

The total number of shares over which awards have been made at the beginning and end of the financial year is as follows:

	LTIP Awards £	Deferred Share Bonus £	Total £
At 31 March 2011	24,433,334	4,311,081	28,744,415
Awards exercised during the year	(666,666)	(1,241,281)	(1,907,947)
Awards forfeited during the year	(100,000)	(200,000)	(300,000)
At 31 March 2012 - Pre consolidation	23,666,668	2,869,800	26,536,468
At 31 March 2012 -Post consolidation	236,667	28,698	265,365
Awards exercised during the year	(21,333)	(12,598)	(33,931)
Awards forfeited during the year	(79,768)	(4,612)	(84,380)
At 31 March 2013	135,566	11,488	147,054
Awards exercised during the year	(106,361)	(5,063)	(111,424)
Awards forfeited during the year	999	-	999
At 31 March 2014 and 31 March 2015	30,204	6,425	36,629

As a result of the Towry offer that became fully effective after the period end, on 7 May 2015, all awarded shares pursuant to the Ashcourt Rowan Group schemes have been settled for cash in May 2015.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015

14. FINANCIAL RISK

Exposure to credit risk, market risk (which combines foreign currency risk, interest rate risk and market price risk) and liquidity risk arises in the normal course of the Company's business.

**Credit risk**

The credit risk to the Company is limited to the non-payment of investment management fees; commissions earned but not received, cash at banks and investments. At the balance sheet date there were no significant concentrations of credit risk external to the Company.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not require collateral in respect of financial assets because for the majority of client accounts the Company has the right to deduct its management fees from the client's investment portfolio. The historical incidence of bad debts has been very isolated and infrequent.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

At the balance sheet date the Company had the following credit risk exposures:

	2015 £	2014 £
Cash and cash equivalents	194	54,559
Due from Group Companies	<u>1,001,728</u>	<u>947,363</u>
	<u>1,001,922</u>	<u>1,001,922</u>

The amounts in the above table are based on the carrying value of all accounts.  
There are no past due receivables as at the balance sheet date (2014: £nil).

**Foreign currency risk**

The Company is exposed to foreign currency risk on cash balances that are denominated in a currency other than Sterling. The currencies giving rise to this risk are primarily U.S. Dollars and Euros.

In respect of other monetary assets and liabilities held in currencies other than Sterling, the Company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The significant majority of the Company's clients are invoiced in sterling and the Company only maintains a small float of cash in foreign currencies. Therefore the Company's currency risk is minimal and accordingly no sensitivity analysis has been presented.

**Interest rate risk**

**Effective interest rates and maturity analysis**

The Company's exposure to interest rate risk on financial assets is mitigated by placing surplus funds on fixed deposit for various levels of maturity. The interest rates obtained are market rates which are typically linked to base rate. Typically, cash is held on deposit for no longer than 90 days. All cash balances at the year end were held on call deposit.

Management deem interest rate risk immaterial and do not actively manage this risk. The tables below indicate the periods in which they mature and the effective interest rate earned / borne.

**Cash and cash equivalents**

	2015 0.5%	2014 0.5%
Effective rate		
	£	£
One year or less	<u>194</u>	<u>54,559</u>

An increase of 50 basis points in interest rates at the balance sheet date would increase interest receivable on cash and cash equivalents held at the balance sheet date by £210 net of tax assuming a corporation tax rate of 23%. A decrease of 50 basis points would have an equal but opposite effect.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2015**

**Market price risk**

Equity prices are governed by markets in which such equities are traded. The construction of equity portfolios for funds which the Company acts as Manager is driven by the investment objectives of each fund and consequently market risk cannot be fully mitigated. There were no principal stock positions at the balance sheet date.

**Liquidity risk**

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off-balance sheet instruments. The Company monitors liquidity risk taking into account cash balances held and levels of borrowing in addition to the requirements imposed by the Financial Conduct Authority.

**Non-derivative cash flows**

The table below presents the cash flows receivable and payable by the Company under non-derivative financial assets and liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual, undiscounted cash flows whereas the Company manages inherent liquidity risk on expected undiscounted cash flows:

	On demand	<3 months	3-12 months	1-5 years	>5 years
<b>31 March 2015</b>					
<b>Assets</b>	£	£	£	£	£
Cash and cash equivalents	194	-	-	-	-
Client receivables	-	-	-	-	-
Other financial assets	-	-	-	-	-
Prepayments and accrued income	-	-	-	-	-
<b>Total financial assets</b>	<b>194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>	£	£	£	£	£
Trade creditors	-	-	-	-	-
Other creditors	-	-	-	-	-
Accruals and deferred income	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net liquidity gap</b>	<b>194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 March 2014</b>					
<b>Assets</b>	£	£	£	£	£
Cash and cash equivalents	54,559	-	-	-	-
Client receivables	-	-	-	-	-
Other financial assets	-	-	-	-	-
Prepayments and accrued income	-	-	-	-	-
<b>Total financial assets</b>	<b>54,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>	£	£	£	£	£
Trade creditors	-	-	-	-	-
Other creditors	-	-	-	-	-
Accruals and deferred income	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net liquidity gap</b>	<b>54,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015**

**Fair values**

The fair values together with carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 2015 £	Fair Value 2015 £	Carrying Amount 2014 £	Fair Value 2014 £
Cash and cash equivalents	194	194	54,650	54,559
Trade and other receivables	<u>1,001,728</u>	<u>1,001,728</u>	<u>947,363</u>	<u>947,363</u>

**Estimation of fair values**

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

**Trade and other receivables / payables**

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables / payables greater than one year are discounted at base rate to determine the fair value.