

Registered number  
02089582

**Shore Capital Group plc**  
**Annual Report and Financial Statements for the year ended**  
**31 December 2016**



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**Annual Report and Financial Statements for the year ended 31 December 2016**  
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**Shore Capital Group plc**  
**Company Information**

**Directors**

M L van Messel  
D R Kaye

**Company Secretary**

D R Kaye

**Registered Number**

02089582

**Registered Office**

Bond Street House  
14 Clifford Street  
London W1S 4JU  
United Kingdom

**Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

**Bankers**

The Royal Bank of Scotland plc  
Western Branch  
60 Conduit Street  
London W1R 9FD

## **Shore Capital Group plc Strategic Report**

### **Review of the business**

Shore Capital Group plc ("the Company") is a member of the Shore Capital Group of companies ("the group"). The Company is an intermediate holding company which incurs costs on behalf of the group. The Company receives Turnover in the form of Management Recharges which it receives from some of the operational entities of the group. The key performance indicators of the Company are therefore Turnover and Administrative expenses shown on page 8.

There has been no significant changes to the nature of the Company's principal activity during the year.

The Company's Profit and Loss Account on page 8 shows the Company continuing to make a loss in the year. This is reflective of the nature of the activity described above.

The Company issued 10,000,000 shares to its immediate and ultimate parent company Shore Capital Group Limited. The shares, of nominal value of 2p each, were issued at a premium of £9,800,000 in order to provide additional working capital.

### **Principal risks and uncertainties**


The principal risks of the Company are going concern and credit risk. The Company is loss making as it does not recover all costs incurred through recharges to fellow group companies. The Company forms one part of the Shore Capital group of companies, which has considerable financial resources and the Directors have a reasonable expectation of support for the Company in meeting its obligations as they fall due. For that reason, the Directors are satisfied that the Company remains a going concern.

In terms of credit risk, all amounts owed to the Company are from related entities within the Shore Capital group and as such the Directors believe the risk of default is negligible.

### **Future developments**

The Directors do not expect any changes in the activities of the company in the foreseeable future.

This report was approved by the Board of Directors on **28 June 2017**

  
**D R Kaye**  
Company Secretary  
Bond Street House  
14 Clifford Street  
London W1S 4JU

## **Shore Capital Group plc**

### **Directors' Report**

The Directors present their annual report and audited financial statements for the year ended 31 December 2016.

#### **Going Concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The Strategic Report describes why the Company continues to make a loss as it incurs central costs on behalf of the group.

The Company is dependent on financial support from its parent to continue its operations. The directors of Shore Capital Group Limited have indicated that it is their current intention to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due, however this funding is not guaranteed. The dependence of the Company on continued support from its parent constitutes uncertainty that may cast a significant doubt upon the Company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Notwithstanding this, the Company is part of a group that has considerable financial resources together with an established business model. After making enquiries with fellow group entities, the Directors have a reasonable expectation that the group would support the Company in meeting its obligations as they fall due and as such, the Company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Dividends and results**

The retained loss for the year is set out on page 8. No Interim dividends were paid or proposed (2015: £nil) on the ordinary shares.

#### **Issue of shares**

During the year, the Company issued 10,000,000 shares to its immediate and ultimate parent company Shore Capital Group Limited. The shares, of nominal value of 2p each, were issued at a premium of £9,800,000.

#### **Directors**

The following persons served as directors throughout the year:

H P Shore (resigned 3 April 2017)  
M L van Messel  
D R Kaye

#### **Directors' Indemnities**

The group makes qualifying third-party provisions for the benefit of its Directors. These were made during the year and remain in force at the date of this report.

#### **Political and charitable donations**

Political donations of £161,500 (2015: £25,000) were made by the Company to the Conservative Party in the year.

#### **Events after the balances sheet date**

Details of significant events since the balance sheet date are contained in note 18 to the financial statements.

**Shore Capital Group plc**  
**Directors' Report (continued)**

**Approval of reduced disclosures**

The Company as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Shore Capital Group Limited, as the immediate parent of the entity.

**Disclosure of information to auditor**

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as auditor of the Company will be proposed at the Company's Annual General Meeting.

This report was approved by the Board of Directors on **28 June 2017**



**D R Kaye**  
Company Secretary  
Bond Street House  
14 Clifford Street  
London W1S 4JU

## **Shore Capital Group plc**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Strategic report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

**Shore Capital Group plc**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF SHORE CAPITAL GROUP PLC**

We have audited the financial statements of Shore Capital Group plc for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial reporting Standard applicable in the UK and Republic of Ireland".

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 Statement of Directors' Responsibilities 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material

**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 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £2.682m during the year ended 31 December 2016 and, at that date, the company had a net current liabilities of £35.542m. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

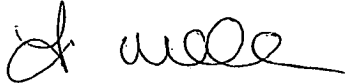


**Shore Capital Group plc**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF SHORE CAPITAL GROUP PLC**

**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.



**Fiona Walker FCA (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, UK  
28 June 2017

**Shore Capital Group plc**  
**Profit and Loss Account**  
**for the year ended 31 December 2016**

	<b>Notes</b>	<b>2016 £000</b>	<b>2015 £000</b>
<b>Turnover</b>	<b>2</b>	<b>909</b>	<b>1,155</b>
<b>Administrative expenses</b>		<b>(3,878)</b>	<b>(4,252)</b>
<b>Operating loss</b>	<b>3</b>	<b>(2,969)</b>	<b>(3,097)</b>
<b>Tax credit on loss</b>	<b>6</b>	<b>287</b>	<b>396</b>
<b>Loss for the financial year</b>		<b>(2,682)</b>	<b>(2,701)</b>

**Continuing operations**

All transactions are in respect of continuing operations.

There are no recognised gains and losses other than the profit shown above and therefore no separate statement of comprehensive income has been presented.

**Shore Capital Group plc**  
**Balance Sheet**  
**as at 31 December 2016**  
**Company number: 02089582**

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	7	746	643
Investments in subsidiaries	8	<u>35,783</u>	<u>36,117</u>
		36,529	36,760
<b>Current assets</b>			
Debtors: amounts due within one year	9	323	1,594
Cash at bank and in hand		<u>2,620</u>	<u>28</u>
		2,943	1,622
<b>Creditors: amounts falling due within one year</b>	10	<u>(38,485)</u>	<u>(44,293)</u>
<b>Net current liabilities</b>		(35,542)	(42,671)
<b>Total assets less current liabilities</b>		<u>987</u>	<u>(5,911)</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(104)	(535)
<b>Net assets / (liabilities)</b>		<u>883</u>	<u>(6,446)</u>
<b>Capital and reserves</b>			
Called up share capital	12	250	50
Share premium account	12	9,800	-
Revaluation reserve	13	5,596	5,596
Profit and loss account		<u>(14,763)</u>	<u>(12,092)</u>
<b>Shareholders' funds / (deficit)</b>		<u>883</u>	<u>(6,446)</u>

The financial statements of Shore Capital Group plc were approved by the Board of Directors and authorised for issue on *28 June 2017*

They were signed on its behalf by:



M L van Messel  
Director

**Shore Capital Group plc**  
**Statement of Changes in Equity**  
**as at 31 December 2016**  
**Company number: 02089582**

	Share capital £000	Share premium account £000	Revaluation reserve £000	Profit and Loss account £000	Total £000
At 1 January 2015	50	-	5,596	(9,338)	(3,692)
Loss for the financial year	-	-	-	(2,701)	(2,701)
Total comprehensive loss	-	-	-	(2,701)	(2,701)
Deferred tax through reserves	-	-	-	(53)	(53)
At 31 December 2015	50	-	5,596	(12,092)	(6,446)
At 1 January 2016	50	-	5,596	(12,092)	(6,446)
Loss for the financial year	-	-	-	(2,682)	(2,682)
Total comprehensive loss	-	-	-	(2,682)	(2,682)
Credit in relation to share based payments	-	-	-	11	11
Issue of shares	200	9,800	-	-	10,000
At 31 December 2016	250	9,800	5,596	(14,763)	883

**Shore Capital Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**1 Accounting policies**

**Company Information**

Shore Capital Group plc is a public limited company domiciled and incorporated in England and Wales. The registered office is Bond Street House, 14 Clifford Street, London W1S 4JU.

**Accounting convention**

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company's functional and presentational currency are both Sterling.

The Company is exempt from the requirement to prepare group accounts under s.401 of the Companies Act. The Company is consolidated in the financial statements of its parent, Shore Capital Group Limited, which may be obtained from Head Office at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel. The Company has taken advantage of the disclosure exemption for transactions with group companies as provided by section 33 of Financial Reporting Standard 102.

**Judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognised in the financial statements.

**Turnover:**

Turnover comprises management recharges of costs incurred by the Company on behalf of other group companies all based in the UK. Management judgement is required to identify costs not in scope of this recharge and the allocation of the costs in scope to other group undertakings. These allocations are made with reference to the percentage of employees in each operating division of the group.

**Taxation:**

The Company is subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the appropriate authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provision required for both current and deferred tax on the basis of professional advice and the nature of any current discussions with the tax authority concerned.

**Deferred tax assets:**

Management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. The carrying value of deferred tax assets is set out in note 6.

**Shore Capital Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**1 Accounting policies (continued)**

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' Report on pages 2-4. Liquidity positions within the entity are actively managed on a daily basis to ensure sufficient liquidity is maintained at all times to support the business.

The Company is dependent on financial support from its parent to continue its operations. The directors of Shore Capital Group Limited have indicated that it is their current intention to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due, however this funding is not guaranteed. The dependence of the Company on continued support from its parent constitutes uncertainty that may cast a significant doubt upon the Company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Notwithstanding this, the Company is part of a group that has considerable financial resources together with an established business model. After making enquiries with fellow group entities, the Directors have a reasonable expectation that the group would support the Company in meeting its obligations as they fall due and as such, the Company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following annual rates:

Fixtures and equipment :	four years
Motor vehicles :	six years

**Fixed asset investments**

Fixed asset investments are valued at cost less provision for impairment using the most recent representative arm's length price.

**Debtors**

Other debtors, intercompany receivables and other receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cashflows.

**Trade creditors and other payables**

Trade creditors, intercompany payables and other payables are measured at initial recognition at fair value, and are subsequently measured at amortised cost.

**Pension costs**

The charge against profits is the amount of contributions payable in respect of personal defined contribution pension arrangements for Directors and employees in the year.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The translation differences are included within the profit and loss account.

**Shore Capital Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**1 Accounting policies (continued)**

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. These differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements and deferred taxation is provided thereon at the anticipated tax rates.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. This has been disclosed in current assets. Furthermore, the charge in deferred tax asset arising as a consequence of the movement in the parent's share price during the period has been charged to the profit and loss account.

**Share-based payments**

The company engages in equity settled share-based payment transactions in respect of services received from certain employees and directors via its parent company's group share-based payment plan. Such options are granted by the parent company board at a price no less than the average quoted market price of the parent company's share on the date of the grant. Options granted under the plan are subject to vesting periods which are based on continuing service. Thereafter, the options may be exercised for the rest of their 10 year life without further test. Options are forfeited if the employee chooses to leave the group before the options vest under certain circumstances. If an employee holding vested options leaves the group, the options held must be exercised within 6 months of the date of leaving.

The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of the employee services received in respect of the share options granted is recognised in the income statement on a straightline basis over the period that the services are received, which is the vesting period. The fair value of the options granted is determined using the Black-Scholes Option Pricing Model, which takes into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the parent company's share price over the life of the option and other relevant factors. When shares options are exercised, they are equity settled by the ultimate parent company. The Company is exempt from some of the disclosures for Share-based payment as it is a qualifying entity under FRS 102.

**2 Turnover**

Turnover consists of management recharges to group companies all based in the UK.

	2016 £000	2015 £000
Management recharges	909	1,155
	<u>909</u>	<u>1,155</u>

**3 Operating loss**

Operating loss is stated after charging:

	2016 £000	2015 £000
Depreciation of fixed assets	56	58
Directors' emoluments	1,250	1,637
Impairment of investment in subsidiaries	1,455	1,077
Fees payable to the Company's auditor:		
Audit of the Company's financial statements	3	3
Tax Services	3	16
	<u>3</u>	<u>16</u>

**Shore Capital Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

<b>4 Directors' emoluments</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Highest paid Director	822	1,209
Other Directors	428	428
	<u>1,250</u>	<u>1,637</u>

Further pension payments were made on behalf of the Directors of £18,000 in 2016 (2015: £18,000).

<b>5 Staff costs</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	1,108	1,653
Social security costs	133	225
Pension and other costs	55	35
	<u>1,296</u>	<u>1,913</u>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Staff numbers (including Directors)	<u>5</u>	<u>5</u>

<b>6 Tax credit on loss</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of credit in year</b>		
Current tax:		
UK corporation tax credit on loss in the year	(287)	(396)
Total tax credit	<u>(287)</u>	<u>(396)</u>

The differences between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities before tax	<u>(2,969)</u>	<u>(3,097)</u>
Standard rate of corporation tax in the UK	20.00%	20.25%
Loss on ordinary activities multiplied by the standard rate of corporation tax	(594)	(627)
Effects of:		
Short term timing differences	5	3
Expenses not deductible for tax purposes	293	218
Other	9	10
Current tax credit for year	<u>(287)</u>	<u>(396)</u>

**Factors that may affect future tax charges**

The tax rate on the profit before tax for the Company's UK activities for 2016 was 20% (2015: 20.25%). Finance Act 2016, which was substantially enacted in September 2016, included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020, and Finance Act (No.2) included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017. To the extent that deferred tax reverses at a different rate than it is recognised at then this will change the impact on the net deferred tax liability.



**Shore Capital Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**6 Tax credit on ordinary activities (continued)**

**Deferred tax**

The deferred tax asset relates to temporary differences with regards to share based payments that have been expensed in the accounts but only become payable, and hence deductible for tax, in a future accounting period.

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
At 1 January	20	73
Charge to equity	-	(53)
At 31 December	<u>20</u>	<u>20</u>

**7 Tangible assets**

	<b>Fixtures and equipment £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 January 2016	838	189	1,027
Additions	82	77	159
Disposals	-	(57)	(57)
At 31 December 2016	<u>920</u>	<u>209</u>	<u>1,129</u>
<b>Depreciation</b>			
At 1 January 2016	303	81	384
Charge for the year	21	35	56
On disposals	-	(57)	(57)
At 31 December 2016	<u>324</u>	<u>59</u>	<u>383</u>
<b>Net book value</b>			
At 31 December 2016	<u>596</u>	<u>150</u>	<u>746</u>
At 31 December 2015	<u>535</u>	<u>108</u>	<u>643</u>

**8 Investments in subsidiaries**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Cost</b>		
At 1 January	41,952	40,823
Additions	1,121	1,129
At 31 December	<u>43,073</u>	<u>41,952</u>
<b>Impairments</b>		
At 1 January	(5,835)	(4,758)
Impairments in year	(1,455)	(1,077)
At 31 December	<u>(7,290)</u>	<u>(5,835)</u>
<b>Net book value</b>		
At 31 December	<u>35,783</u>	<u>36,117</u>

**Shore Capital Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**8 Investments in subsidiaries (continued)**

**Additional information on subsidiaries.**

<b>Subsidiary</b>	<b>Country of registration and operation</b>	<b>Activity</b>	<b>Portion of ordinary shares and voting rights held</b>
<b>Trading companies</b>			
Shore Capital Investments Limited	England and Wales	Holds investments	100%
Shore Capital Treasury Limited	England and Wales	Treasury company	100%
Shore Capital International Limited	England and Wales	Advisory services	100%
Shore Capital Management Limited	England and Wales	Member of an LLP	100%
Shore Capital (Japan) Limited	England and Wales	Credit provider	100%
Pebble Investments Limited	Guernsey	Holds investments	100%
Puma Property Advisers Limited	Guernsey	Property advisory services	100%
<b>Limited Liability Partnerships</b>			
The Lily Partnership LLP	England and Wales	Asset rental business	80%
<b>Nominee Company</b>			
Puma Nominees Limited	England and Wales	Nominee company	100%

The subsidiaries listed above registered in England and Wales all share the same registered office as Shore Capital Group plc. The address of those registered in Guernsey is Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

<b>9 Debtors</b>	<b>2016 £000</b>	<b>2015 £000</b>
Other debtors	10	8
Corporation tax	278	1,553
Deferred tax	20	20
Prepayments and accrued income	15	13
	<u>323</u>	<u>1,594</u>

<b>10 Creditors: amounts falling due within one year</b>	<b>2016 £000</b>	<b>2015 £000</b>
Other creditors	819	1,415
Trade creditors	1	-
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,782	6,996
Other taxes and social security costs	3	13
Loan from subsidiary	35,784	35,784
Accruals and deferred income	96	85
	<u>38,485</u>	<u>44,293</u>

**Shore Capital Group plc**  
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<b>11 Creditors: amounts falling due after one year</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Other creditors	<u>104</u>	<u>535</u>

Other creditors relates to National Insurance payable on share options granted to employees of the Group and will be payable on exercise of these options, the last of which expire in 2024.

<b>12 Called up share capital</b>	<b>2016</b>	<b>2015</b>
Authorised:		
Ordinary shares of 2p each	<u>625,000,000</u>	<u>625,000,000</u>
	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
	<b>of shares</b>	<b>of shares</b>
	<b>£000</b>	<b>£000</b>
Allotted, called up and fully paid:	2,500,000	2,500,000
Shares issued in the year	<u>10,000,000</u>	<u>-</u>
Balance c/f	<u>12,500,000</u>	<u>2,500,000</u>

During the year, the Company issued 10,000,000 shares to its immediate and ultimate parent company Shore Capital Group Limited. The shares, of nominal value of 2p each, were issued at a premium of £9,800,000 in order to provide additional working capital.

<b>13 Revaluation reserve</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
At 1 January and 31 December	<u>5,596</u>	<u>5,596</u>

The revaluation reserve relates to the historic movement arising on the retranslation of an investment in a subsidiary that was denominated in a foreign currency. The investment was rebased to GBP and there has been no movement on the balance in the year.

**14 Cash Flow Statement**

Under FRS 102 the Company is exempt from the requirement to prepare a cash flow statement since the cash flows of the Company are included in Shore Capital Group Limited's financial statements for the year ended 31 December 2016, which are publicly available. The shareholders of the company were notified and did not object to the use of this exemption.

**15 Related Party Transactions**

The Directors and all other staff are entitled to deal in securities through a fellow Group company in accordance with in house dealing rules, which include the provision that staff are entitled to reduced commission rates. The Directors are of the opinion that all such transactions are not material to either the Company or the relevant individuals.

The Company has not disclosed normal trading transactions with other group companies due to an exemption afforded to it by FRS 102 by virtue of it being a qualifying entity under FRS 102.

Central group overheads of the ultimate parent company are recharged throughout the group, including to the company, by way of a management charge. Amounts charged during the year were as follows.

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Recharged from Shore Capital Group plc to other group entities	<u>909</u>	<u>1,155</u>

**Shore Capital Group plc**  
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**16 Parent Company**

The immediate and ultimate parent company and controlling party is Shore Capital Group Limited, a company incorporated in Guernsey. Shore Capital Group Limited is the parent of the only group for which 2016 consolidated financial statements are prepared. Group financial statements are available on application from Shore Capital Group Limited, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

**17 Post Balance Sheet events**

There were no significant post balance sheet events.