

Registered number  
2089582

Shore Capital Group plc  
Annual Report and Financial statements for the year ended  
31 December 2013

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**Shore Capital Group plc**  
**Report and accounts**  
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## **Shore Capital Group plc Company Information**

### **Directors**

H P Shore  
M L van Messel  
D Kaye

### **Secretary**

D Kaye

### **Registered office**

Bond Street House  
14 Clifford Street  
London W1S 4JU

### **Registered number**

2089582

### **Bankers**

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

### **Auditor**

Deloitte LLP  
London, UK

### **Solicitors**

SJ Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

## **Shore Capital Group plc**

### **Strategic Report**

#### **Principal activities and review of the business**

The company is a member of the Shore Capital group of companies. The company is an intermediate holding company, and does not constitute a separate operational division of the group and the group does not apply specific key performance indicators to the company.

The Directors are satisfied with the company's performance in 2013, which have left it well positioned for the current year. The Directors do not expect any changes in the activities of the company in the foreseeable future.

#### **Principal risks and uncertainties**

A financial risk management policy is established at group level by Shore Capital Group Limited, the ultimate parent company. Full details are set out in the consolidated group accounts of Shore Capital Group Limited.

#### **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 on 26 June 2014.



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

## **Shore Capital Group plc**

### **Directors' Report**

The Directors present their annual report and financial statements for the year ended 31 December 2013

#### **Dividends and results**

The retained loss for the year is set out on page 7. No Interim dividends were paid (2012: £Nil) on the ordinary shares. No final dividend is proposed on the ordinary shares (2012: £Nil).

#### **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 principal activities and review of the Strategic Report.

The company is part of a Group that has considerable financial resources together with an established business model. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

Despite the Company making a loss for the year ended 31 December 2013, after making enquiries with Shore Capital Japan Limited, a subsidiary which the Company owes financial obligations, the Directors have a reasonable expectation that 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 accounts.

#### **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.

#### **Directors**

The following persons served as directors throughout the year:

H P Shore  
M L van Messel  
D Kaye

#### **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 on 26 June 2014.



**D Kaye**  
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 Annual 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). 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.

**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 2013 which comprise the Profit and Loss Account, the Balance Sheet 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).

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**

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 misstatements or inconsistencies we consider the implications for our report.

**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 2013 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.

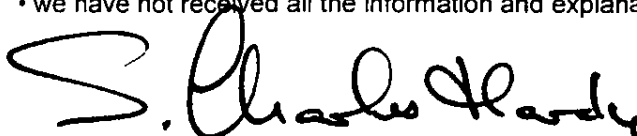
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report and the Strategic 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.



**Simon Hardy FCA (Senior statutory auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK  
26 June 2014

**Shore Capital Group plc**  
**Profit and Loss Account**  
**for the year ended 31 December 2013**

	<b>Notes</b>	<b>2013 £000</b>	<b>2012 £000</b>
<b>Turnover</b>		1,336	680
Administrative expenses		(3,857)	(6,948)
<b>Operating loss</b>	2	<u>(2,521)</u>	<u>(6,268)</u>
Interest receivable	4	1	27
Interest payable		-	(11)
<b>Loss on ordinary activities before taxation</b>		<u>(2,520)</u>	<u>(6,252)</u>
Tax on loss on ordinary activities	5	395	361
<b>Loss for the financial year</b>	13	<u><u>(2,125)</u></u>	<u><u>(5,891)</u></u>

**Continuing operations**

All transactions are in respect of continuing operations

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than those recognised in the profit and loss account

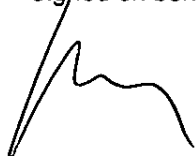


**Shore Capital Group plc**  
**Balance Sheet**  
**as at 31 December 2013**

	Notes	2013 £000	2012 £000
<b>Fixed assets</b>			
Tangible assets	6	533	517
Investments in subsidiaries	7	<u>36,356</u>	<u>36,291</u>
		36,889	36,808
<b>Current assets</b>			
Debtors	8	3,206	4,765
Cash at bank and in hand		<u>869</u>	<u>55</u>
		4,075	4,820
<b>Creditors, amounts falling due within one year</b>	9	(41,285)	(40,534)
<b>Net current liabilities</b>		<u>(37,210)</u>	<u>(35,714)</u>
<b>Total assets less current liabilities</b>		<u>(321)</u>	<u>1,094</u>
<b>Creditors, amounts falling due after more than one year</b>	10	(331)	(44)
<b>Net (liabilities)/assets</b>		<u><u>(652)</u></u>	<u><u>1,050</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Revaluation reserve	12	5,596	5,596
Profit and loss account	13	(6,298)	(4,596)
<b>Shareholders' funds</b>	14	<u><u>(652)</u></u>	<u><u>1,050</u></u>

These financial statements were approved and authorised for issue by the Board of Directors on 26 June 2014

Signed on behalf of the Board of Directors



M L van Messel  
Director

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2013**

**1 Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are as follows

**Exemption for preparing consolidated financial statements**

The Company is exempt from the obligation to prepare consolidated financial statements, as its results are included in the consolidated financial statements of its parent company, Shore Capital Group Limited

**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 Directors' and Strategic 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. Taking these factors into consideration, the directors believe that the entity is well placed to manage its business risks successfully. Therefore, the Company continues to adopt the going concern basis in preparing the annual report and financial statements

**Turnover**

Turnover comprises management recharges to group companies

**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

**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

**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 in accordance with FRS 19. The prior year comparatives have been restated to comply with this presentation

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2013**

**1 Accounting policies (continued)**

**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 dealt with in the profit and loss account.

**Share-based payments**

The company has applied the requirements of FRS 20 Share-based Payments. In accordance with the transitional provisions, FRS 20 has not been applied to grants of equity instruments to employees prior to 7 November 2002 as they had all vested by 1 January 2005.

**Fixed asset investments**

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

<b>2 Operating loss</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
This is stated after charging		
Directors' emoluments	1,393	1,209
Depreciation charge	58	52
Fees payable to the company's auditors		
Audit of the company's financial statements	3	10
Tax Services	2	19
	<hr/>	<hr/>

The 2012 operating loss includes a one off charge of £3,622k regarding an intercompany write off.

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2013**

<b>3 Staff costs</b>	<b>2013 £000</b>	<b>2012 £000</b>
Wages and salaries	1,529	1,090
Social security costs	212	148
Other pension costs	18	20
	<u>1,759</u>	<u>1,258</u>

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Staff numbers (including executive directors)	<u>5</u>	<u>5</u>

The parent company, Shore Capital Group Limited ("the Group"), maintains a Share Option Plan under which present and future employees of the company may be granted options to subscribe for shares of the Group. The plan is used to attract and retain high-calibre employees to continue to develop and expand the business of the Group and the company. Such options are granted by the Group at a price no less than the average quoted market price of the Group's share on the date of grant. The vesting period is generally three years. If the options remain unexercised after a period of 10 years from the date of grant the options expire. Options are forfeited if the employee chooses to leave the Group before the options vest. Details of the share options outstanding to employees of the company during the year are as follows:

	<b>2013 Number of share options</b>	<b>Weighted average exercise price</b>
Outstanding at beginning and end of year	<u>746,129</u>	205p*
Exercisable at the end of the year	<u>746,129</u>	

The options outstanding at 31 December 2013 had a weighted average remaining contractual life of two years.

In 2013, the company recognised no expenses related to equity-settled share-based payment transactions.

\*adjusted to reflect a share reorganisation that took place in December 2013 with respect to the shares of Shore Capital Group Limited.

<b>Directors' emoluments</b>	<b>2013 £000</b>	<b>2012 £000</b>
Highest paid Director Emoluments	<u>1,001</u>	<u>631</u>

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2013**

<b>4 Interest receivable</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>

Bank interest	<u>1</u>	<u>27</u>
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<b>5 Taxation</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>

**Analysis of credit in period**

Current tax		
UK corporation tax credit	(395)	(361)
	<u>(395)</u>	<u>(361)</u>

**Factors affecting tax charge for period**

The differences between the UK Corporation Tax charge and the amount calculated by applying the standard rate of UK Corporation Tax to the profit before tax are explained as follows

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities before tax	<u>(2,520)</u>	<u>(6,252)</u>
Standard rate of corporation tax in the UK	<u>23 25%</u>	<u>24 50%</u>
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(586)	(1,532)

Effects of

Short term timing differences	6	3
Income not chargeable to tax	(35)	-
Permanent tax differences	219	1,167
Adjustments in respect of previous periods	-	-
Other	1	1
Current tax credit for period	<u>(395)</u>	<u>(361)</u>

**Factors that may affect future tax charges**

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

**Deferred tax**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
At 1 January	188	188
Credit to income	423	-
At 31 December	<u>611</u>	<u>188</u>

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2013**

**6 Tangible fixed assets**

	<b>Fixtures and equipment £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 January 2013	683	142	825
Additions	74	-	74
Disposals	-	-	-
At 31 December 2013	<u>757</u>	<u>142</u>	<u>899</u>
<b>Depreciation</b>			
At 1 January 2013	207	101	308
Charge for the year	39	19	58
On disposals	-	-	-
At 31 December 2013	<u>246</u>	<u>120</u>	<u>366</u>
<b>Net book value</b>			
At 31 December 2013	<u>511</u>	<u>22</u>	<u>533</u>
At 31 December 2012	<u>476</u>	<u>41</u>	<u>517</u>

**7 Investments**

	<b>2013 £000</b>	<b>2012 £000</b>
<b>Cost</b>		
At 1 January	39,214	38,184
Additions	918	1,030
Disposals	-	-
At 31 December	<u>40,132</u>	<u>39,214</u>
<b>Impairments</b>		
At 1 January	(2,923)	(1,839)
Revaluations in year	(853)	(1,084)
At 31 December	<u>(3,776)</u>	<u>(2,923)</u>
<b>Net book value</b>		
At 31 December	<u>36,356</u>	<u>36,291</u>

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2013**

**7 Investments (continued)**

**Additional information on principal 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%
JellyWorks Limited	England and Wales	Dormant	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%

**8 Debtors**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Other debtors	11	4
Corporation tax	756	361
Deferred tax	611	188
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,826	4,087
Prepayments and accrued income	2	125
	<u>3,206</u>	<u>4,765</u>

**9 Creditors amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Other creditors	409	585
Trade creditors	28	19
Amounts owed to group undertakings and undertakings in which the company has a participating interest	4,500	3,936
Other taxes and social security costs	373	-
Loan from subsidiary	35,784	35,784
Accruals and deferred income	191	210
	<u>41,285</u>	<u>40,534</u>

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2013**

**10 Creditors amounts falling due after one year**

**2013**  
**£000**

**2012**  
**£000**

Other creditors

331

44

**11 Share capital**

**2013**

**2012**

Authorised  
Ordinary shares of 2p each

625,000,000

625,000,000

**2013**  
**Number**  
**of shares**

**2012**  
**Number**  
**of shares**

**2013**  
**£000**

**2012**  
**£000**

Balance b/f  
Shares issued in the year

2,500,000

2,500,000

50

50

-

-

-

-

2,500,000

2,500,000

50

50

**12 Revaluation reserve**

**2013**  
**£000**

**2012**  
**£000**

At 1 January and 31 December

5,596

5,596

**13 Profit and loss account**

**2013**  
**£000**

**2012**  
**£000**

At 1 January  
Loss for the financial year  
Deferred tax charge through reserves

(4,596)

1,295

(2,125)

(5,891)

423

-

At 31 December

(6,298)

(4,596)

**14 Reconciliation of movement in shareholders' funds**

**2013**  
**£000**

**2012**  
**£000**

At 1 January  
Loss for the financial year  
Deferred tax charge through reserves

1,050

6,941

(2,125)

(5,891)

423

-

At 31 December

(652)

1,050



**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2013**

**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 8 by virtue of 100% of the voting rights of the company being controlled within the group.

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

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Recharged from Shore Capital Group plc to other group entities	<u>1,336</u>	<u>680</u>

**16 Parent Company**

The ultimate parent company is Shore Capital Group Limited, a company incorporated in Guernsey. Shore Capital Group Limited is the parent of the only group for which 2013 consolidated accounts are prepared. Group accounts are available on application from Shore Capital Group, Bond Street House, 14 Clifford Street, London W1S 4JU.

**17 Cash Flow Statement**

The Company has taken advantage of an exemption afforded by FRS 1 (Revised) not to prepare a cash flow statement as its parent company (which is incorporated in Guernsey) prepares consolidated financial statements showing the cash flows of the group.