

**Company Registration Number: 02090838**

**Chase de Vere Independent Financial Advisers Limited**

**Annual Report and Financial Statements**

**For The Year Ended**

**31 December 2015**



# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Annual report and financial statements  
for the year ended 31 December 2015

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## OFFICERS AND PROFESSIONAL ADVISERS

### Directors

G Chapman  
S Kavanagh

### Company Secretary

P Russell

### Registered Office

60 New Broad Street  
London  
United Kingdom EC2M 1JJ

### Bankers

Lloyds Banking Group  
The Mound  
Edinburgh EH1 1YZ

### Solicitors

Brabners LLP  
55 King Street  
Manchester M2 4LQ

Kuit Steinart Levy LLP  
3 St Mary's Parsonage  
Manchester M3 2RD

### Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
101 Barbirolli Square  
Lower Mosley Street

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

## Strategic report for the year ended 31 December 2015

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The Directors present their Strategic report on the Company for the year ended 31 December 2015.

### OUR VISION

The Company's vision is to be recognised as the national Independent Financial Advisory firm of choice. To provide trusted and consistent high quality advice and services to both individual and corporate clients' who value the benefit of the advice provided by our qualified professional advisers.

Our aim is to develop a business that:

- Provides high quality advice and tailored solutions to meet client's needs and expectations;
- Puts the interests of the client at the centre of any decision making process;
- Delivers holistic whole of market financial advice.

Adopting these principles will create value for the shareholder through a combination of organic growth and effective cost management.

### REVIEW OF THE YEAR

Historically the business uses a number of financial performance measures to manage its overall progress throughout the year. The financial key performance indicators (KPI's) which were used in the year under review include amongst others:

Key Performance Indicators	2015 £000	2014 £000
Gross Advice Revenue	£49,060	£47,627
Average Productivity per adviser	£216	£205
Gross Margin	47%	42%

Other performance indicators are also used by the business to monitor activities throughout the year.

The financial services sector continues to face challenges driven by underlying trends that define the shape of the industry. These include:

- Regulatory pressures driving transparency and simplification;
- Changing legislation in the personal and group pension domain;
- Shifting demographics and customer preferences.

Against this background the Company reported profit on ordinary activities before taxation of £4,785,000 which compares with a profit of £4,578,000 in the previous year. This improvement has been achieved through a combination of a reduction in the annual costs associated with client redress in respect of legacy business, increased revenue and continued control of overheads.

During the year the Company transitioned to FRS 100 – *Application of Financial Reporting Requirements* and FRS 101 – *Reduced Disclosure Framework* and has taken advantage of the disclosure exemptions allowed under the standard. The Company's parent undertaking, Chase de Vere IFA Group Plc, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. Both FRS 100 and FRS 101 have been

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)  
for the year ended 31 December 2015

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## REVIEW OF THE YEAR (*continued*)

applied for the first time. This has resulted in some presentational reclassifications within the income statement and statement of financial position, further details of which are given in note 23.

During the year further progress was made in relation to the review of the 2014 agreed settlement with the FCA in relation to the enforcement investigation into the sale of Keydata products between August 2005 and June 2009. The impact of this was a reduction of the provision held at the end of the previous financial year of £127,000.

The business continues to benefit from an increasing number of clients adopting the Company's client proposition that was launched by the business as part of the Retail Distribution Review. This clearly demonstrates that both personal and corporate clients value the provision of truly independent financial advice, supported by an ongoing service proposition.

As part of its commitment to remaining independent the business actively supports its advisers to increase their knowledge and expertise through qualification towards gaining individual Chartered status.

2015 has seen further activity in pension liability exercises as UK companies continue to actively manage their future pension liabilities. The Company has continued to be active in this area, supporting a number of exercises which fall within the scope of the Company's expertise and risk appetite.

The Company has experienced a significant reduction in its exposure to redress settlement in respect of client complaints. This is due to the work that has been undertaken over recent years in developing robust systems and controls defining the quality of advice provided to its clients.

The business remains committed to ensuring the cost of providing financial advice is kept to a minimum. With this in mind the Company continues to review its infrastructure and methods of advice delivery and service to ensure that all clients are dealt with in the most cost effective manner relative to their needs and expectations.

In December 2015 the Company undertook a capital reduction of £9,000,000 resulting in a reduction of the allotted and fully paid ordinary shares to £5,000,000 and a subsequent transfer of £9,000,000 to distributable reserves.

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Company are the mitigation of customer complaints, litigation and compensation costs in respect of past business and the retention of key financial advisers and staff.

### Customer complaints and compensation costs

With regards to customer complaints and the risk associated with the provision of advice, the Company seeks to manage these risks with appropriate systems and controls within the sales advisory process and maintain risk transfer through the provision of a comparable guarantee arrangement with a fellow subsidiary of the Swiss Life Group for appropriate complaints. In addition, adherence to business standards and the Group's comprehensive Customer Centricity programme requires that at all times the services delivered to our customers are of the highest standard.

The Company has a small number of litigation cases outstanding. Where appropriate a provision for any such settlements exists at 31 December 2015.

Provisions are held for estimates of the costs of complaints, which by their nature can be uncertain.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)  
for the year ended 31 December 2015

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## PRINCIPAL RISKS AND UNCERTAINTIES (*continued*)

### Retention of key financial advisers and staff

The Company has put in place appropriate reward and remuneration packages to enable it to retain those individuals that it considers are key to the success of the organisation. These are structured to ensure they encourage the right behaviours and are reviewed on a regular basis to ensure they remain appropriate and reflect prevailing remuneration rates within the industry.

### Market risks

The latest Retail Conduct Risk Outlook report published by The FCA in April 2016 analyses how the trend in the wider economic environment and new regulation may translate into "conduct risks" i.e. the risk that firms' behaviour will result in poor outcomes for customers.

The report assesses risks as medium or long term and includes existing risks identified in previous years, as well as newer emerging risks that the financial services sector needs to consider over the coming years

The risks identified in the current report include:

- Environmental drivers such as Macro-economic and socio-economic developments, global growth, the impact of changing condition on markets, and changing demographics
- Policy and Regulation
- Technology
- Firm and market drivers

The associated 2016/17 business plan sets out a number of areas of focus that will be undertaken by the FCA to address the underlying drivers of risk some of which are detailed below.

- Financial crime and Anti-Money Laundering
- Wholesale financial markets
- Advice
- Innovation and technology
- Firms' culture and governance
- Treatment of existing customers

The Board is fully aware of these risks and is constantly reviewing the operations of the business to ensure it is able to face the challenges these risks present.

## GOING CONCERN

As set out in the Basis of preparation section (note 2) of the notes to the financial statements the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. Consequently the going concern basis is considered appropriate in preparing the financial statements.

## RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- credit risk
- capital risk
- economic risk
- liquidity risk
- market risk

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)  
for the year ended 31 December 2015

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## RISK MANAGEMENT (*continued*)

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

### Credit risk

Credit risk is the risk of financial loss to the Company if a product provider or a client (where a fee for financial advice has been charged), fail to meet their contractual obligations. It is Company policy to assess the credit rating of a product provider for the benefit of the client as part of the advice giving process and as such, the Company would not enter into a contract with a provider who had not beforehand obtained a suitable credit rating. With regards to fees being charged for financial advice, an assessment is undertaken of the client's ability to pay before an invoice is raised for the cost of the advice so as to minimise the chances of their inability to pay the fee based on a credit risk issue.

Credit risk also arises from cash and deposits held with banks. For banks used by the Company, only those independently rated with a minimum rating "A+" are accepted.

### Capital risk

The Company must satisfy certain financial resource tests throughout the year. These tests which are regulatory requirements consider both the net asset base of the Company and its expenditure base. The Board regularly monitor the results of these tests in order to ensure that adequate capital resources are in place to satisfy the test requirements. All tests were satisfied throughout the year.

### Economic risk

Whilst an economic downturn would adversely affect revenue performance, the charging structure relates to an element of client portfolio values. A sustained adverse movement in the Stock Market will impact negatively on Company revenue. However in the opinion of the directors, in such economic conditions the need for independent financial advice would be greater.

### Liquidity risk

Although the financial resource tests mentioned above are designed to avoid a liquidity risk arising, unforeseen risks are still possible. It is the responsibility of the Board to constantly monitor any potential risks and to take the required action to manage and reduce those risks.

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company uses liquid assets which comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

### Market Risk

The primary market risk is interest rate risk. Interest is earned on monies held on short term cash deposits.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)  
for the year ended 31 December 2015

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## FUTURE DEVELOPMENTS

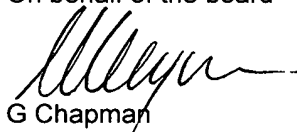
The principal activity of the Company is the provision of independent financial advice. In line with the Company's vision, the Directors expect this principal activity to continue in 2016.

The Directors of the Company have committed to ensuring their objectives remain aligned to those of the FCA. Plans have been developed during the year to ensure that FCA areas of focus are addressed and this work will continue for the foreseeable future to ensure that "client centricity" and delivering the best outcomes for consumers remains at the forefront of any actions taken by the Company.

The Company fully supports the Auto Enrolment ('AE') initiative introduced by the government in ensuring employers offer a workplace pension to all eligible employees. In recognition of this the Company has been developing a tailor made AE solution specifically targeted at those smaller companies who have yet to reach their staging dates. This was successfully launched towards the end of the year under review and indications are that it has been well received in the market place and should provide further future revenue generating opportunities alongside the more traditional channels.

The Directors also remain fully committed to introducing operational efficiencies where appropriate which in addition to enhancing the service provided to its customers will further increase the embedded value of the business to its shareholder.

On behalf of the board



G Chapman  
Director

30 June 2016

# **CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED**

## **Directors' report for the year ended 31 December 2015**

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The Directors present their report and the audited financial statements for the year ended 31 December 2015.

Chase de Vere Independent Financial Advisers Limited (registered number 02090838) is a private limited Company incorporated in England and Wales and domiciled in the UK.

The immediate parent undertaking is Chase de Vere IFA Group Plc (registered number 03323436), a Company registered in England and Wales.

The review of the business in the year, discussion of future developments and going concern are discussed in the Strategic report.

### **DIRECTORS**

The current Board of Directors is shown on page 2. The Directors who served during the year and up to the date of signing of financial statements are as follows:

G Chapman  
S Kavanagh

### **EMPLOYEES**

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining this. The Company encourages the involvement of employees by means of recognition through an employee award scheme and also by way of supporting changes to existing processes identified by employees where there is benefit to the Company as a whole.

The Company gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

### **DIRECTORS' INDEMNITY**

The Directors have the benefit of a qualifying third party indemnity provision (as defined by section 234 of the Companies Act 2006). This provision was in force throughout the financial year and at the date of the approval of the financial statements. The Company and its directors fall under the scope of the Directors' and Officers' liability insurance maintained by Swiss Life Select International Holding AG.

There have been no events since 31 December 2015 which materially affect the position of the Company.



# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Directors' report (*continued*)  
for the year ended 31 December 2015

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the Directors are aware, there is no relevant audit information 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 themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

On behalf of the Board



G Chapman  
Director

30 June 2016

**CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED**  
**Independent auditors' report to the members of Chase de Vere Independent Financial Advisers Limited**  
**for the year ended 31 December 2015**

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**Report on the financial statements**

**Our opinion**

In our opinion Chase de Vere Independent Financial Advisers Limited's financial statements, (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit 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.

**What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2015;
- the Income statement and statement of comprehensive income for the year then ended;
- the Statement of changes in shareholders' equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Independent auditors' report to the members of Chase de Vere Independent Financial Advisers Limited  
for the year ended 31 December 2015 (*continued*)

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## Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### What an audit of financial statements involves

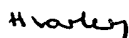
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company'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.

We primarily focus our work in these areas by assessing the director's' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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 misstatement or inconsistencies we consider the implications for our report.



Heather Varley (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester

30 June 2016

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

## Income statement and statement of comprehensive income for the year ended 31 December 2015

### Income statement

	Note	2015 £000	2014 £000
<b>Revenue</b>	4	<b>50,060</b>	48,503
Cost of sales		(26,754)	(28,075)
<b>Gross profit</b>		<b>23,306</b>	20,428
Distribution costs		(7,396)	(7,671)
Administrative expenses before exceptional items		(11,372)	(8,063)
Exceptional Items charged against Administrative expenses	5	127	(440)
Other income		95	253
<b>Profit on ordinary activities before interest and taxation</b>		<b>4,760</b>	4,507
Finance income	8	25	71
<b>Profit on ordinary activities before income tax</b>		<b>4,785</b>	4,578
Income tax credit / (expense) on ordinary activities	9	2,906	(23)
<b>Profit for the financial year</b>		<b>7,691</b>	4,555
<b>Statement of comprehensive income</b>			
		<b>2015 £000</b>	2014 £000
<b>Profit for the financial year</b>		<b>7,691</b>	4,555
Total other comprehensive income for the year net of tax		-	-
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>7,691</b>	4,555

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

## Statement of financial position for the year ended 31 December 2015

Company Registration Number: 02090838

	Note	2015 £000	2014 £000
<b>Non current assets</b>			
Deferred tax asset	18	3,790	884
		<b>3,790</b>	<b>884</b>
<b>Current assets</b>			
Trade receivables	10	3,370	2,407
Amounts owed by group undertakings	11	6,464	5,393
Prepayments & accrued income	12	3,730	3,425
Other receivables	13	2,356	1,958
Cash at bank and in hand		10,335	10,540
		<b>26,255</b>	<b>23,723</b>
<b>Creditors – amounts falling due within one year</b>			
Trade creditors	14	546	585
Accruals and deferred income	15	4,406	3,759
Other creditors	16	1,079	896
		<b>6,031</b>	<b>5,240</b>
<b>Net Current Assets</b>		<b>20,224</b>	<b>18,483</b>
Total assets less current liabilities		<b>24,014</b>	<b>19,367</b>
Provisions for liabilities	17	1,308	4,352
<b>Net assets</b>		<b>22,706</b>	<b>15,015</b>
<b>Equity</b>			
Called up share capital	19	5,000	14,000
Profit and loss account		17,706	1,015
<b>Total shareholders' funds</b>		<b>22,706</b>	<b>15,015</b>

The notes on pages 15 to 32 are an integral part of these financial statements.

The financial statements on pages 12 to 32 were authorised for issue by the board of directors on 30 June 2016 and were signed on its behalf.

G Chapman



Director

30 June 2016

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

## Statement of changes in shareholders' equity for the year ended 31 December 2015

### Statement of changes in shareholders' equity

	Profit and loss account £000	Called up share capital £000	Total equity £000
Balance as at 1 January 2014	(3,540)	14,000	10,460
Profit for the financial year and total comprehensive income	4,555	-	4,555
At 31 December 2014	1,015	14,000	15,015

	Note	Profit and loss account £000	Called up share capital £000	Total equity £000
Balance as at 1 January 2015		1,015	14,000	15,015
Capital reduction	19	9,000	(9,000)	-
Profit for the financial year and total comprehensive income		7,691	-	7,691
At 31 December 2015		17,706	5,000	22,706

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements  
for the year ended 31 December 2015

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## 1 GENERAL INFORMATION

Chase de Vere Independent Financial Advisers Limited (the Company) provides independent financial advice to private and corporate clients in the UK.

The Company is a private limited Company incorporated in England and Wales and domiciled in the UK. The address of its registered office is 60 New Broad Street, London EC2M 1JJ.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

The financial statements of Chase de Vere Independent Financial Advisers Limited have been prepared in accordance with Financial Reporting Standard 100, "Application of Financial Reporting Requirements" and Financial Reporting Standard 101, "Reduced Disclosure Framework". The financial statements have been prepared under historical cost convention, in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, "Financial Instruments: Disclosures"
- The following paragraphs of IAS 1, "Presentation of financial statements":
  - 10(d), (statement of cash flows)
  - 10(f), (a statement of financial position as at the beginning of the proceeding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements).
  - 16 (statement of compliance with all IFRS)
  - 38A (requirements for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position)
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, "Statement of cash flows"
- Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation)
- The requirements in IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

### 2.1.1 Going concern

The Company meets its day-to-day working capital requirements through its cash reserves. The current economic conditions continue to create uncertainty particularly over the level of demand for the Company's services. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectancy that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### 2.1.2 Changes in Accounting policy and disclosures

There are no FRS 101 standards or interpretations that are effective for the first time for the financial year beginning on 1 January 2015 that have had a material impact on the Company.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The full impact of these standards has not yet been assessed:

- IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.
- IFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors.

### 2.2 Consolidation

The Company is a wholly owned subsidiary of Chase de Vere IFA Group Plc. It is included in the consolidated financial statements of Chase de Vere IFA Group Plc which are publically available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

### 2.3 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.



# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

### 2.3 Foreign currency translation (*continued*)

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income'.

### 2.4 Trade and other receivables

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

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

### 2.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

### 2.6 Called up share capital

Ordinary shares are classed as equity.

Incremental costs directly attributable to the issue of the new ordinary shares or options are shown in equity as a deduction, net of tax from the proceeds.

### 2.7 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

### 2.8 Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which trading losses and the temporary differences can be utilised.

Deferred income tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.9 Employee benefits

The Company operates a defined contribution pension plan. The Company does not operate a defined benefit pension plan.

For defined contribution plans, the Company pays contributions to publically or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

### 2.10 Provisions

Being a financial services institution, the business has regulatory risks. These are provided for in accordance with IAS 37.

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that it will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at 31 December 2015, and are discounted to present value where the effect is material.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements *(continued)*  
for the year ended 31 December 2015

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### 2.10 Provisions *(continued)*

The provision for customer complaints is based on outstanding complaints at 31 December 2015 where management is of the view that a settlement with the client will be made based on a review of the facts and circumstances of the case. The provision represents the cost of any redress to be paid and associated expenses.

The provision for regulation and litigation is based on outstanding claims and regulatory matters which are identified through ongoing communication with regulators and legal counsel. The provision represents management's best estimate of the expected settlement with third parties.

The provision for clawback of indemnity commission represents the expected value of indemnity commission that will be reclaimed by product providers in respect of policies cancelled during the indemnity period, based on past experience of such claims.

Provisions in relation to past business reviews are determined by management using a risk based approach to identify the potential population of clients impacted by the review. Redress payments are estimated based upon historical levels of redress payment or management's best estimate of the likely settlement per case.

### 2.11 Revenue recognition

Revenue represents commission and fee income, including commission on indemnity terms, receivable in the period. Revenue is recognised at the point at which the Company is entitled to receive the commission or fee income after taking into account provisions for the potential cancellation of policies where commissions are received under indemnity terms.

The amount receivable for each transaction is payable on either an initial upfront basis or on an ongoing recurring basis. Apart from a small proportion of the recurring income, the amount receivable is known from the outset and so no estimate of income is required. For the recurring income where the expected income is not known, an estimate is made at each period end using management's best estimates based on analysis of similar income from previous periods.

Revenue represents amounts derived from the provision of financial advice which fall within the Company's ordinary activities after deduction of value added tax. The revenue and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, the provision of financial planning advice.

### 2.12 Exceptional Items

Exceptional items are defined as items of income and expenditure which in the opinion of the Directors are material and unusual in nature or of such significance that they require separate disclosure on the face of the income statement.

### 2.13 Leasing

The only leases the Company has entered into are operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

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## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying its accounting policies, the Company is required to make certain estimates, judgements and assumptions that it believes are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented.

On an ongoing basis, the Company evaluates its estimates using methods that it considers reasonable in the particular circumstances. Actual results may differ from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The following details the estimates and judgements the Company believe to have the most significant impact on the annual results:

**Provisions:** Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that it will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

The provision for customer complaints is based on outstanding complaints at the balance sheet date where management is of the view that a settlement with the client will be made based on a review of the facts and circumstances of the case. The provision represents the cost of any redress to be paid and associated expenses.

The provision for regulation and litigation is based on outstanding claims and regulatory matters which are identified through ongoing communication with regulators and legal counsel. The provision represents management's best estimate of the expected settlement with third parties.

The provision for clawback of indemnity commission represents the expected value of indemnity commission that will be reclaimed by Product Providers in respect of policies cancelled during the indemnity period, based on past experience of such claims.

Provisions in relation to Past Business reviews are determined by management using a risk based approach to identify the potential population of clients impacted by the review. Redress payments are estimated based upon historical levels of redress payment or management's best estimate of the likely settlement per case. Being a financial services institution, the business has regulatory risks. These are provided for in accordance with IAS 37 These are recognised in note 17 as part of the regulatory and litigation provisions..

**Revenue Recognition:** Revenue is recognised at the point at which the Company is entitled to receive the commission or fee income. The amount receivable for each transaction is payable on either an initial upfront basis or on an ongoing recurring basis. Apart from a small proportion of the recurring income, the amount receivable is known from the outset and so no estimate of income is required. For recurring income where the expected income is not known, an estimate is made at each period end using the management's best estimates based on analysis of similar income from previous periods.

**Insurance recoveries:** The business maintains professional indemnity insurance or its equivalent to provide cover to protect itself from claims of negligence in respect of advice and servicing provided to its customers. An insurance recovery is recognised when it becomes certain that any settlement associated with a claim for negligent advice or servicing is covered by the relevant policy period in which the claim is first notified and booked within other receivables.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements *(continued)*  
for the year ended 31 December 2015

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

**Deferred Tax:** Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted by substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax is realised of the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. An element of judgement is applied in forecasting future profitability and the certainty of that profitability in the medium term in order to meet the requirements of recognition. The Company's short to medium term financial projections indicate that the Company will remain profitable and so a deferred tax asset on trading losses carried forwards is recognised.

## 4 REVENUE

	2015 £000	2014 £000
Gross advice revenue	49,060	47,627
Other revenue	1,000	876
	<u>50,060</u>	<u>48,503</u>

Gross advice revenue is the Company's main source of revenue.

## 5 EXCEPTIONAL ITEMS CHARGES AGAINST ADMINISTRATIVE EXPENSES

	2015 £000	2014 £000
Provision for regulatory obligation in the United Kingdom	(127)	440
	<u>(127)</u>	<u>440</u>

During the year a further progress was made in relation to the review of the 2014 agreed settlement with the FCA in relation to the enforcement investigation into the sale of Keydata products between August 2005 and June 2009. The impact of this was a reduction of the provision held at the end of the previous financial year of £127,000.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

## 6 OPERATING PROFIT

	2015 £000	2014 £000
Operating profit is stated after charging:		
Wages and salaries	19,844	19,102
Social security costs	2,248	2,145
Other pension costs	426	403
<b>Staff costs</b>	<b>22,518</b>	<b>21,650</b>
Parent Company management charge	11,239	8,497
Operating lease rentals (see note 20)	1,204	1,217
Fees payable to the Company's auditors for the audit of the Subsidiary and Parent Company	113	116

Fees payable to the auditors for the audit of the Group financial statements of £113,000 (2014: £116,000) has been borne by a fellow Group undertaking in the current and prior year. These amounts form part of the parent Company management charge.

## 7 EMPLOYEES AND DIRECTORS

The Company has no employees (2014: nil). Staff are employed by Chase de Vere IFA Group Plc and their day to day activities are performed on behalf of the Company. Their costs are recharged to the Company and are presented as staff costs below for information purposes only. There was a recharge of Directors' remuneration in the year ended 2015 of £998,000 (2014: £918,000).

	2015 No.	2014 No.
Average monthly number of persons recharged		
Management and administration	101	112
Technical	233	219
	<u>334</u>	<u>331</u>
<b>Directors' emoluments</b>		
	<b>2015 £000</b>	<b>2014 £000</b>
Fees and salaries	869	801
Defined Contribution Scheme	15	15
Swiss Life Restricted Share Units Plan	114	102
	<u>998</u>	<u>918</u>

The number of Directors receiving remuneration for their services to the Company in the year was 2 (2014: 2). The number of Directors entitled to shares under a long term incentive scheme in the year was 1 (2014: 1).

### Highest paid director

	2015 £000	2014 £000
Fees and salaries	593	573
Defined Contribution Scheme	10	10
Swiss Life Restricted Share Units Plan	114	102
	<u>717</u>	<u>685</u>

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

## 8 FINANCE INCOME

	2015 £000	2014 £000
Bank interest income	25	71

## 9 INCOME TAX

### Tax credit / (expense) included in profit or loss

	2015 £000	2014 £000
<b>Current tax:</b>		
UK Corporation tax on profits for the year	-	-
	-	-
<b>Deferred tax:</b>		
Current year (credit) / charge	(2,997)	20
Adjustments in respect of previous years	1	5
Re-measurement of deferred tax – change in UK tax rate	90	(2)
	-	-
Total deferred tax (see note 18)	(2,906)	23
	-	-
Total tax (credit) / charge	(2,906)	23

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK 20.25% (2014: 21.49%). The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit on ordinary activities before taxation is as follows:

	2015 £000	2014 £000
<b>Profit on ordinary activities before taxation</b>	4,785	4,578
	-	-
Notional tax on profit on ordinary activities at the average by standard UK corporation tax rate of 20.25% (2014: 21.49%)	969	984
<b>Effects of:</b>		
Group relief for loss surrendered at 20.25%	(5)	-
Expenses not deductible for tax purposes	69	127
Remeasurement of deferred tax	88	-
Movement on unrecognised deferred tax asset	(4,027)	(1,088)
	-	-
<b>Current tax (credit)/charge for the year</b>	(2,906)	23

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

## 10 TRADE RECEIVABLES

	2015	2014
	£000	£000
Trade receivables	3,699	2,619
Less provision for impairment	(329)	(212)
Net trade receivables	<u>3,370</u>	<u>2,407</u>

Recognised revenue includes an amount of income to which the Company is unconditionally entitled but had not received at the year end. This asset is held on the statement of financial position under debtors which is reduced by means of impairment provision that is arrived at by applying estimates of non-receivable commission to the aged debtor profile.

The average credit period taken is 25 days (2014: 18 days). No interest is charged on overdue items.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The Company recognises trade and other receivables through the generation of commission expectations and the raising of fee invoices for advice related activity. These predominately relate to the monies receivable from product providers, consumers and corporate entities.

The maximum exposure to credit risk is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

## 11 AMOUNTS OWED BY GROUP UNDERTAKINGS

	2015	2014
	£000	£000
Amounts owed by group undertakings	6,464	5,393
	<u>6,464</u>	<u>5,393</u>

Amounts owed by group undertakings represent trading balances and are interest free, unsecured and repayable on demand.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The maximum exposure to credit risk is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.



# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

## 12 PREPAYMENTS AND ACCRUED INCOME

	2015 £000	2014 £000
Prepayments and accrued income	3,730	3,425
	<u>3,730</u>	<u>3,425</u>

The maximum exposure to credit risk is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

Accrued income relates to recurring income where the expected income is not known, an estimate is made at each period end using the management's best estimates based on analysis of similar income from previous periods as mentioned in note 3.

## 13 OTHER RECEIVABLES

	2015 £000	2014 £000
Other receivables	2,356	1,958
	<u>2,356</u>	<u>1,958</u>

Other receivables include an amount of £1,474,000 (2014: £1,474,000) representing money recoverable from the Company's professional indemnity insurers.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The maximum exposure to credit risk is the fair value of each class of receivable mentioned above which predominately relates money recoverable from the Company's professional indemnity insurers. The Company does not hold any collateral as security.

## 14 TRADE CREDITORS

	2015 £000	2014 £000
Trade creditors	546	585
	<u>546</u>	<u>585</u>

Trade creditors principally comprise amounts outstanding for trade purposes and ongoing costs. Trade payables are measured as financial liabilities held at amortised cost under IAS 32.

## 15 ACCRUALS AND DEFERRED INCOME

	2015 £000	2014 £000
Accruals and deferred income	4,406	3,759
	<u>4,406</u>	<u>3,759</u>

Accruals principally comprise amounts outstanding for trade purposes and ongoing costs.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

## 16 OTHER CREDITORS

	2015 £000	2014 £000
Other creditors	1,079	896
	<u>1,079</u>	<u>896</u>

The directors consider that the carrying amount of other payables approximates to their fair value. Other creditors are measured as financial liabilities held at amortised cost under IAS 32.

## 17 PROVISIONS FOR LIABILITIES

	Commission on indemnity terms £000	Complaints Provision £000	Regulatory & Litigation provision £000	Total £000
Balance at 1 January 2015	186	2,272	1,894	4,352
Utilised in the year	(28)	(1,703)	(767)	(2,498)
Charged / (credited) to statement of comprehensive income	124	345	(60)	409
Exceptional charged to statement of comprehensive income	-	-	(127)	(127)
Provisions no longer required	-	(392)	(436)	(828)
Balance at 31 December 2015	<u>282</u>	<u>522</u>	<u>504</u>	<u>1,308</u>

### Commission on indemnity terms

This provision is based on indemnity business written where the indemnity period remains unexpired. The Company assess an appropriate provision to account for potential future clawbacks. The provision for commissions on indemnity terms equates to 1.8% of commissions received on indemnity terms during the year (2014: 1.7%). The provision is likely to be fully utilised within 1 to 4 years of 31 December 2015.

During the year 1,164 (2014: 2,064) insurance policies for which commission was received on indemnity terms lapsed and £391,000 (2014: £439,000) of commission was clawed back by providers.

A sum of £101,000 (2014: £76,000) included in the Commission on Indemnity terms, is recoverable from advisers and included in debtors.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

## 17 PROVISIONS FOR LIABILITIES (*continued*)

### Complaints Provision

The complaints provision represents the expected cost of settling claims from clients and the amount represents the gross obligation.

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that it will be required to settle that obligation. During the year the Company utilised £1,703,000 of its brought forward provision. A total of £392,000 of the brought forward provision was no longer required in the year whilst the charge to the statement of comprehensive income for the year was £345,000.

### Regulatory and Litigation Provision

During the year further progress was made in relation to the review of the 2014 agreed settlement with the FCA in relation to the ongoing enforcement investigation into the sale of Keydata products between August 2005 and June 2009. The impact of this was a reduction of the provision held at the end of the previous financial year of £127,000.

## 18 DEFERRED TAXATION

The provision for deferred tax consists of the following deferred tax assets / (liabilities)

	2015 £000	2014 £000
Accelerated capital allowances	682	907
Trading losses	2,959	-
Other timing differences	149	(23)
Total deferred tax	<u>3,790</u>	<u>884</u>
At start of year	884	
Deferred tax credit in the income statement	<u>2,906</u>	
At end of year	<u>3,790</u>	

The Directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in full in these financial statements. At 31 December 2014 the Company had an unrecognised deferred tax asset of £4,136k.

The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 20.25%. A further change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

## 19 CALLED UP SHARE CAPITAL

Ordinary shares of £1 each	2015 No.	2015 £000
<b>Allotted and fully paid</b>		
At 1 January	14,000,000	14,000
Capital reduction	(9,000,000)	(9,000)
	<hr/>	<hr/>
At 31 December	5,000,000	5,000
	<hr/>	<hr/>

In December 2015 the Company undertook a capital reduction of £9,000,000 resulting in a reduction of the allotted and fully paid ordinary shares to £5,000,000 and a subsequent transfer of £9,000,000 to distributable reserves.

## 20 CAPITAL AND OTHER COMMITMENTS

At 31 December, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2015 £000	2014 £000
Not later than one year	1,715	1,041
Later than one year and not later than five years	3,045	1,726
	<hr/>	<hr/>
	4,760	2,767
	<hr/>	<hr/>

## 21 RELATED PARTY TRANSACTIONS

Transactions with the parent Company, Chase de Vere IFA Group Plc, are not disclosed as the Company has taken account of the exemption allowed by IAS 24: Related Party Disclosures, as a wholly owned subsidiary. The consolidated financial statements of Chase de Vere IFA Group Plc in which the Company is included are available at the address shown in note 22.

See note 6 for disclosure of director's remuneration.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

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## 22 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Chase de Vere IFA Group Plc, a Company registered in England and Wales.

The ultimate parent undertaking and controlling party is Swiss Life Holding AG, a Company incorporated in Switzerland.

Swiss Life Holding AG is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statements of Swiss Life Holding AG are available from Swiss Life Holding AG, General-Guisan-Quai 40, PO Box 8022 Zurich, Switzerland or from the Company's website [www.swisslife.com](http://www.swisslife.com).

Chase de Vere IFA Group Plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Chase de Vere IFA Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)  
for the year ended 31 December 2015

## 23 RECONCILIATIONS TO PREVIOUSLY PUBLISHED UK GAAP FIGURES

As a result of the transition to FRS 101 the Company has made a number of presentational changes to the primary financial statements to ensure compliance with FRS 101 and consistency with the parent Company. There is no impact on accounting measurement as a result of the change.

### (i) Reconciliation of balance sheet on transition to FRS 101 as at 1 January 2014

	Previous UK GAAP £000	Effect of Transition to FRS 101 £000	FRS 101 £000
<b>Non-current assets</b>			
Deferred tax asset	-	907	907
		<b>907</b>	<b>907</b>
<b>Current assets</b>			
Debtors	19,239	(19,239)	-
Trade receivables	-	2,314	2,314
Amounts owed by group undertakings	-	4,368	4,368
Professional Indemnity Insurance Reclaim	-	5,000	5,000
Prepayments & accrued income	-	3,865	3,865
Other receivables	-	2,785	2,785
Cash at bank and in hand	19,618	-	19,618
	<b>38,857</b>	<b>(907)</b>	<b>37,950</b>
<b>Creditors – amounts falling due within one year</b>			
Creditors	6,169	(6,169)	-
Trade creditors	-	752	752
Accruals and deferred income	-	4,475	4,475
Other creditors	-	942	942
	<b>6,169</b>	<b>-</b>	<b>6,169</b>
<b>Net Current Assets</b>	<b>32,688</b>	<b>(907)</b>	<b>31,781</b>
Total assets less current liabilities	32,688	-	32,688
Provisions for liabilities	22,228	-	22,228
<b>Net assets</b>	<b>10,460</b>	<b>-</b>	<b>10,460</b>
<b>Equity</b>			
Called up share capital	14,000	-	14,000
Profit and loss account	(3,540)	-	(3,540)
<b>Total shareholders' funds</b>	<b>10,460</b>	<b>-</b>	<b>10,460</b>

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements *(continued)*  
for the year ended 31 December 2015

## (ii) Reconciliation of balance sheet on transition to FRS 101 as at 31 December 2014

	Previous UK GAAP £000	Effect of Transition to FRS 101 £000	FRS 101 £000
<b>Non-current assets</b>			
Deferred tax asset	-	884	884
		884	884
<b>Current assets</b>			
Debtors	14,067	(14,067)	-
Trade receivables	-	2,407	2,407
Amounts owed by group undertakings	-	5,393	5,393
Prepayments & accrued income	-	3,425	3,425
Other receivables	-	1,958	1,958
Cash at bank and in hand	10,540	-	10,540
	24,607	(884)	23,723
<b>Creditors – amounts falling due within one year</b>			
Creditors	5,240	(5,240)	-
Trade creditors	-	585	585
Accruals and deferred income	-	3,759	3,759
Other creditors	-	896	896
	5,240	-	5,240
<b>Net Current Assets</b>	19,367	(884)	18,483
Total assets less current liabilities	-	-	19,367
Provisions for liabilities	4,352	-	4,352
<b>Net assets</b>	15,015	-	15,015
<b>Equity</b>			
Called up share capital	14,000	-	14,000
Profit and loss account	1,015	-	1,015
<b>Total shareholders' funds</b>	15,015	-	15,015

# CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)

for the year ended 31 December 2015

## (iii) Reconciliation of profit and loss account for the year ended 31 December 2014

	Previous UK GAAP £000	Effects of transition to FRS101 £000	FRS 101 £000
<b>Revenue</b>	48,503	-	48,503
<b>Cost of sales</b>	-	(28,075)	(28,075)
<b>Gross profit</b>	-	-	20,428
<b>Distribution costs</b>	-	(7,671)	(7,671)
<b>Administrative expenses before exceptional items</b>	(43,556)	35,493	(8,063)
<b>Exceptional items charged against Administration expenses</b>	(440)	-	(440)
<b>Other income</b>	-	253	253
<b>Total administrative expenses</b>	(43,996)	-	-
<b>Operating profit</b>	4,507	(4,507)	-
<b>Profit on ordinary activities before interest and taxation</b>	-	4,507	4,507
<b>Interest receivable and similar income</b>	71	(71)	-
<b>Finance income</b>	-	71	71
<b>Profit on ordinary activities before income tax</b>	4,578	-	4,578
<b>Income tax (expense) on ordinary activities</b>	(23)	-	(23)
<b>Profit for the financial year</b>	4,555	-	4,555