

Company Registration Number: 02090838

Chase de Vere Independent Financial Advisers Limited

Annual Report and Financial Statements

For The Year Ended

31 December 2016

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CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Annual report and financial statements
for the year ended 31 December 2016

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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,
Manchester M2 3PW

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report for the year ended 31 December 2016

The Directors present their Strategic report on the Company for the year ended 31 December 2016.

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 financial advice and services to both individual and corporate clients' who value the benefits of our financial 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	2016	2015
Gross Advice Revenue (£'000)	50,959	49,060
Average Revenue per adviser (£'000)	245	216
Gross Margin (%)	45	47

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 £5.176m which compares with a profit of £4.785m in the previous year. This improvement has been achieved through a combination of a continuing lower exposure to client redress in respect of legacy business, increased revenue and continued control of overheads.

In April 2016 the Company paid a final dividend of £6.4m to its parent Company following the success of the financial performance in the previous year.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)
for the year ended 31 December 2016

REVIEW OF THE YEAR (*continued*)

2016 saw further development in revenue associated with key affinity partnerships which supported the overall revenue growth year on year.

As part of its commitment to remaining independent and providing the best advice to clients, the Business actively supports its advisers to increase their knowledge and expertise through professional qualifications. The Company currently has 35 advisers of Chartered status or above which equates to 16%. The Company will continue to strive to increase this number.

Along with other businesses within the IFA sector from April 2016 the Company was impacted by the introduction of the banning of rebates in respect of client assets held on platforms and the cessation of commission payments in respect of group pension schemes.

In response to this the Company has continued to engage with its clients in respect of its client proposition and launched a new proposition to its corporate clients aimed at providing enhanced services. Early indications are that this has been well received.

In 2016, the Business was active in pension liability management working with a select number of UK companies, as many companies generally are looking to manage their future pension liabilities.

The Company is continuing to benefit from robust systems and controls which has resulted in a continued reduction to its exposure to redress settlement.

During the year the programme of work associated with 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 was satisfactorily concluded. This resulted in provisions from the previous year no longer being required which has resulted in an exceptional credit being released of £0.184m.

Chase de Vere has considered the potential impact of the UK EU referendum in the months leading up to the vote, in the period after the outcome of the vote, and, as an ongoing consideration and influence. Early consideration has been two-fold; the potential for impact on its customers, and the potential for impact on its business model and medium term business plan.

Opinion and guidance on customer investments advised on by Chase de Vere was regularly issued to its clients and focussed predominantly on the financial impact of Brexit relative to the value and efficacy of their invested assets.

Chase de Vere consider that the risk of immediate impact on its medium term business model is minimal given the legalities surrounding the invoking of EU Article 50 which triggers the formal process of withdrawal. As a regulated business in a sector subject to EU rules in practice, and of course as a subsidiary of a Swiss parent company, Chase de Vere could, as with many businesses in the financial services sector, have potentially been impacted by the outcome of the referendum. However, the reality is that Article 50 and the ensuing two year negotiating period is only the start of a prolonged legal process and that as such, projections based on pre-Brexit assumptions hold good in the near term. Political impact is likely to be more significant than economic impact and consequently Chase de Vere remains committed to its medium term business plan. It must be noted that the Company do not undertake business outside of the UK.

The manner in which equity markets in the UK, Europe and more recently in the US have rallied supports the case for minimal near term Brexit impact. The process of withdrawal is of course an evolving and not previously experienced one, which will remain a focus for the Executive Board of Chase de Vere and its parent for years ahead.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)
for the year ended 31 December 2016

REVIEW OF THE YEAR (*continued*)

As a result of changes in tax legislation, the Company has reviewed its policy relating to the recognition of the Deferred Taxation asset and still considers it appropriate to provide in full for its recovery. From 1 April 2017 the amount of profit that can be offset with carried forward losses will be restricted to 50%. The restriction only applies to profits in excess of £5.0m.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Company are the level 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 Holding Ag 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 2016.

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

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.

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 2017.

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 recognises that its systems must continue to meet the demands of its clients and is currently reviewing its technology infrastructure to ensure that they are able to deliver the functionality required to support the business both now and in the future. As a result of these objectives the Company has committed £2.8m over 5 years to improve its client offering and drive efficiencies through an enhanced operating platform.

In addition further investment is planned in developing key affinity partnerships.

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.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)
for the year ended 31 December 2016

RISK MANAGEMENT

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

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

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 by virtue of a fact find 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" by Fitch 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, an element of the charging structure relates to 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 heightened.

Foreign exchange risk

A sustained weakening of the pound against the swiss franc would impact negatively on the company profit, although the overall exposure is not deemed to be significant.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)
for the year ended 31 December 2016

RISK MANAGEMENT (*continued*)

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 highly 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 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
- Consumer responsibility and vulnerability
- The interaction between regulation and public policy
- Competition policy
- Pension Legislation

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.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Strategic report (*continued*)
for the year ended 31 December 2016

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.

On behalf of the board



G Chapman
Director

10 March 2017

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Directors' report for the year ended 31 December 2016

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

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.

POST BALANCE SHEET EVENTS

There have been no events since 31 December 2016 which materially affect the position of the Company.

DIVIDEND

In April 2016 the Company paid a final dividend of £6.4m to its parent Company following the success of the financial performance in the previous year.

A dividend will be declared by the Board and will be paid in April 2017 to the parent company. At this stage the amount has not yet been ratified.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Directors' report (*continued*)
for the year ended 31 December 2016

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

10 March 2017

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 2016

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 2016 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 2016;
- the Income Statement and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in 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, based on the work undertaken in the course of the audit:

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and Directors' Report. We have nothing to report in this respect.

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 2016

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.

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.

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 2016

What an audit of financial statements involves (continued)

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

H Varley

Heather Varley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
10 March 2017

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Income statement and statement of comprehensive income for the year ended 31 December 2016

Income statement	Note	2016 £000	2015 £000
Revenue	4	51,767	50,060
Cost of sales		(29,647)	(26,754)
Gross profit		22,120	23,306
Distribution costs		(7,293)	(7,396)
Administrative expenses before exceptional items		(10,396)	(11,372)
Exceptional Items released against Administrative expenses	5	184	127
Total administration expenses		(10,212)	(11,245)
Other income		541	95
Profit on ordinary activities before interest and taxation		5,156	4,760
Finance income	8	20	25
Profit on ordinary activities before income tax		5,176	4,785
Income tax (expense) / credit on ordinary activities	9	(1,079)	2,906
Profit for the financial year		4,097	7,691

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Income statement and statement of comprehensive income for the year ended 31 December 2016

Statement of comprehensive income

	2016 £000	2015 £000
Profit for the financial year	4,097	7,691
Total other comprehensive income for the year net of tax	-	-
Total comprehensive income for the year attributable to owners of the Company	4,097	7,691

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Statement of financial position for the year ended 31 December 2016

Company Registration Number: 02090838

	Note	2016 £000	2015 £000
Non current assets			
Deferred tax asset	10	2,711	3,790
		2,711	3,790
Current assets			
Trade receivables	11	2,988	3,370
Amounts owed by group undertakings	12	4,199	6,464
Prepayments & accrued income	13	3,797	3,730
Other receivables	14	1,830	2,356
Cash at bank and in hand		12,120	10,335
		24,934	26,255
Creditors – amounts falling due within one year			
Trade creditors	15	621	546
Accruals and deferred income	16	4,739	4,406
Other creditors	17	444	1,079
		5,804	6,031
Net Current Assets		19,130	20,224
Total assets less current liabilities		21,841	24,014
Provisions for liabilities	18	1,438	1,308
Net assets		20,403	22,706
Equity			
Called up share capital	19	5,000	5,000
Profit and loss account		15,403	17,706
Total shareholders' funds		20,403	22,706

The notes on pages 18 to 32 are an integral part of these financial statements.

The financial statements on pages 14 to 32 were authorised for issue by the board of directors on 10 March 2017 and were signed on its behalf.

G Chapman



Director

10 March 2017

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Statement of changes in shareholders' equity for the year ended 31 December 2016

Statement of changes in shareholders' equity

	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	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

Note	Profit and loss account £000	Called up share capital £000	Total equity £000
	17,706	5,000	22,706
Balance as at 1 January 2016			
Profit for the financial year and total comprehensive income	4,097	-	4,097
Dividend payment	(6,400)	-	(6,400)
At 31 December 2016	15,403	5,000	20,403

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2016

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)
 - 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 2016

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 2016 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 2016, 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.

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 2016

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 'Administrative expenses before exceptional items'.

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 2016

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.

The ultimate parent company operates an executive share plan for senior members of the Company. The cost is recognised at the point that the share plan liability is settled. Further details are provided in note 5.

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 2016, 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 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Provisions *(continued)*

The provision for customer complaints is based on outstanding complaints at 31 December 2016 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 dilapidations is recognised at the point that the liability becomes certain. The provision represents the expected cost of returning the property to its original state.

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.

2.11 Revenue recognition

Revenue represents commission and fee income, including commission on indemnity terms, receivable in the period for the provision of financial advice. Financial advice covers primarily investments, pensions, financial education and health care for both individual and corporate clients. 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 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.

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.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

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

for the year ended 31 December 2016

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

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.

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. The business has an ongoing outstanding recovery from its insurers. The professional Indemnity Insurance that was previously in place at the time of the settlement was complex with multiple layers of insurance in place. A debtor is recognised for the amounts considered virtually certain to be recoverable. Where uncertainty exists around such recoverability a debtor is not recognised.

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.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

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

for the year ended 31 December 2016

4 REVENUE

	2016 £000	2015 £000
Provision of financial planning advice	<u>51,767</u>	<u>50,060</u>

Provision of financial planning advice is the Company's main source of revenue, this relates to fee income and recurring charges to both private and corporate clients. The amount receivable for each transaction is payable on either an initial upfront basis or on an ongoing recurring basis.

5 EXCEPTIONAL ITEMS RELEASED AGAINST ADMINISTRATIVE EXPENSES

	2016 £000	2015 £000
Provision for regulatory obligation in the United Kingdom	184	127
	<u>184</u>	<u>127</u>

During the year the review into the sale of Keydata products between August 2005 and June 2009 resulting from the FCA's enforcement investigation has been concluded resulting in provisions from the previous year no longer being required. These were previously charged as exceptions and therefore are being reversed as such.

6 OPERATING PROFIT

	2016 £000	2015 £000
Operating profit is stated after charging:		
Wages and salaries	21,796	19,844
Social security costs	2,437	2,248
Other pension costs	406	426
Staff costs	24,639	22,518
Parent Company management charge	10,157	11,239
Operating lease rentals (see note 20)	1,266	1,204
Fees payable to the Company's auditors for the audit of the Subsidiary and Parent Company	124	113

Fees payable to the auditors for the audit of the Group financial statements of £0.124m (2015: £0.113m) has been borne by a fellow Group undertaking in the current and prior year. These amounts form part of the parent company management charge.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (continued)

for the year ended 31 December 2016

7 EMPLOYEES AND DIRECTORS

The Company has no employees (2015: 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 2016 of £1.036m (2015: £0.998m).

	2016	2015
	No.	No.
Average monthly number of persons recharged		
Management and administration	109	101
Technical	249	233
	<u>358</u>	<u>334</u>

Directors' emoluments

	2016	2015
	£000	£000
Salaries	900	869
Defined Contribution Scheme	10	15
Swiss Life Restricted Share Units Plan	126	114
	<u>1,036</u>	<u>998</u>

The number of Directors receiving remuneration for their services to the Company in the year was 2 (2015: 2). The number of Directors entitled to shares under a long term incentive scheme in the year was 1 (2015: 1).

The Restricted Share Unit Plan is an equity settled share based payment awarded to key management personnel, Mr S Kavanagh, based on the performance of the company. The annual KPI's are set by Swiss Life Holding and if met, substantiates a payment based on measurement against the KPIs. The plan set each year typically vests after a 3 year period and the expense has been recognised on a cash basis. Payments made are charged fully to the profit and loss account in the first year as management do not believe that the fund will be received back from Swiss Life Holding AG in respect of years 2 and 3.

Highest paid director

	2016	2015
	£000	£000
Salary	636	593
Defined Contribution Scheme	5	10
Swiss Life Restricted Share Units Plan	126	114
	<u>767</u>	<u>717</u>

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (continued)

for the year ended 31 December 2016

8 FINANCE INCOME

	2016 £000	2015 £000
Bank interest income	20	25

9 INCOME TAX

Tax (expense) / credit included in profit or loss

	2016 £000	2015 £000
Current tax:		
UK Corporation tax on profits for the year	-	-
Deferred tax:		
Current year (charge) / credit	(817)	2,997
Adjustments in respect of previous years	(232)	(1)
Re-measurement of deferred tax – change in UK tax rate	(30)	(90)
Total deferred tax (see note 10)	(1,079)	2,906
Total tax (charge) / credit	(1,079)	2,906

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK 20% (2015: 20.25%). 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:

	2016 £000	2015 £000
Profit on ordinary activities before taxation	5,176	4,785
Notional tax on profit on ordinary activities at the average by standard UK corporation tax rate of 20.0% (2015: 20.25%)	(1,035)	(969)
Effects of:		
Group relief for loss surrendered at 20%	4	5
Expenses not deductible for tax purposes	(5)	(69)
Remeasurement of deferred tax	(35)	(88)
Movement on unrecognised deferred tax asset	(8)	4,027
Total tax (charge) / credit for the year	(1,079)	2,906

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Notes forming part of the financial statements (*continued*)
for the year ended 31 December 2016

10 DEFERRED TAXATION

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

	2016	2015
	£000	£000
Accelerated capital allowances	528	682
Trading losses	2,029	2,959
Other timing differences	154	149
Total deferred tax	<u>2,711</u>	<u>3,790</u>
At start of year	3,790	
Deferred tax credit in the income statement	<u>(1,079)</u>	
At end of year	<u>2,711</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.

The standard rate of Corporation Tax in the UK is 20%. Accordingly, the Company's profits for this accounting year are taxed at a rate of 20%. A 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.

11 TRADE RECEIVABLES

	2016	2015
	£000	£000
Trade receivables	3,438	3,699
Less provision for impairment	(450)	(329)
Net trade receivables	<u>2,988</u>	<u>3,370</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 23 days (2015: 25 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.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

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

for the year ended 31 December 2016

11 TRADE RECEIVABLES (Continued)

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.

12 AMOUNTS OWED BY GROUP UNDERTAKINGS

	2016 £000	2015 £000
Amounts owed by group undertakings	4,199	6,464
	<u>4,199</u>	<u>6,464</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.

13 PREPAYMENTS AND ACCRUED INCOME

	2016 £000	2015 £000
Prepayments and accrued income	3,797	3,730
	<u>3,797</u>	<u>3,730</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.

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

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

for the year ended 31 December 2016

14 OTHER RECEIVABLES

	2016 £000	2015 £000
Other receivables	1,830	2,356
	<u>1,830</u>	<u>2,356</u>

Other receivables include an amount of £0.927m (2015: £1.474m) 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.

15 TRADE CREDITORS

	2016 £000	2015 £000
Trade creditors	621	546
	<u>621</u>	<u>546</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.

16 ACCRUALS AND DEFERRED INCOME

	2016 £000	2015 £000
Accruals and deferred income	4,739	4,406
	<u>4,739</u>	<u>4,406</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 2016

17 OTHER CREDITORS

	2016 £000	2015 £000
Other creditors	444	1,079
	<u>444</u>	<u>1,079</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.

18 PROVISIONS FOR LIABILITIES

	Commission on indemnity terms £000	Complaints Provision £000	Dilapidation Provision £000	Regulatory & Litigation provision £000	Total £000
Balance at 1 January 2016	282	522	-	504	1,308
Utilised in the year	-	(373)	-	(113)	(486)
Charged / (credited) to income statement	36	816	225	-	1,077
Exceptional charged to income statement	-	-	-	(184)	(184)
Provisions no longer required	(76)	(1)	-	(200)	(277)
Balance at 31 December 2016	<u>242</u>	<u>964</u>	<u>225</u>	<u>6</u>	<u>1,438</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 1.6% of commissions received on indemnity terms during the year (2015: 1.8%). The provision is likely to be fully utilised within 1 to 4 years of 31 December 2016.

During the year 864 (2015: 1,164) insurance policies for which commission was received on indemnity terms lapsed and £0.076m (2015: £0.391m) of commission was clawed back by providers.

A sum of £0.092m (2015: £0.101m) 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 2016

18 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 £0.373m of its brought forward provision. A total of £0.001m 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 £0.816m.

Dilapidation Provision

The provision is recognised at the point that the liability becomes certain. The provision represents the expected cost of returning the property to its original state. In the year the company has created a dilapidation provision of £0.225m in relation to one of its larger branch offices.

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 release of the provision held at the end of the previous financial year of £0.184m. During the year this investigation has been concluded resulting in provisions from the previous year no longer being required.

19 CALLED UP SHARE CAPITAL

	2016 No.	2016 £000
Ordinary shares of £1 each		
Allotted and fully paid		
At 1 January	5,000,000	5,000
At 31 December	5,000,000	5,000

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:

	2016 £000	2015 £000
Not later than one year	1,744	1,715
Later than one year and not later than five years	3,864	3,045
Later than five years	2,103	-
	7,711	4,760

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

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

for the year ended 31 December 2016

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 23.

See note 7 for disclosure of director's remuneration.

22 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material post balance sheet events.

23 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 2016. 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.

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.