COMPANIES HOUSE

JAMES HAY HOLDINGS LIMITED

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 December 2015

Registered in England & Wales No. 02506374

JAMES HAY HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report together with the financial statements for the year ended 31 December 2015.

1. Principal activity

The principal activity of James Hay Holdings Limited, company number 02506374 (the "Company") is as a holding company providing head office and related services to its operating subsidiaries. The Company is a private limited company registered in England, and is incorporated and domiciled in England and Wales. The address of its registered office is Trinity House, Anderson Road, Swavesey, Cambridge, England.

2. 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 entity operates ("the functional currency"). The financial statements are presented in "GBP" (£), which is the Company's presentation currency. All transactions are in GBP and the Company does not transact in other denominations.

3. Dividend

The Company paid an interim cash dividend of £1.25m (£0.01 per share) and an in-specie dividend of £10.45m (£0.06 per share) (2014: £1.75m cash dividend (£0.01 per share)).

The Directors do not recommend the payment of a final dividend (2014: £nil).

4. Directors

The Directors who served throughout the year and to the date of this report were:

R Beale	
P Burtonshaw	(resigned 17 April 2015)
A Conway	
I McCoo	(appointed 26 Nov 2015)
D Page	(appointed 26 Nov 2015)
J Watson	(resigned 7 April 2015)

5. Statement of directors' responsibilities

The Directors are responsible for preparing the report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 2006.

International Accounting Standard 1 requires that financial statements present fairly, for each financial year, the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

REPORT OF THE DIRECTORS (continued)

5. Statement of directors' responsibilities (continued)

The Directors are responsible for keeping proper accounting records which 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.

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.

6. Statement of Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above and in the Strategic Report on page 4. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. In addition, notes 3 and 4 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives, details of its financial instruments and its exposures to credit risk, market risk, liquidity risk and other risks.

The Directors believe, after reviewing the Company's forecasts and projections and taking account of likely changes in trading performance, that the Company has sufficient current financial resources to continue to operate and to meet its financial obligations as they fall due, for the foreseeable future.

7. Research and Development

The Company's ultimate parent is IFG Group plc. The IFG Group of companies including the Company continues to research and develop new financial services products (and supporting computer systems) and to improve existing ones.

8. Financial Risk Management

Financial risk management objectives and policies which have been implemented by executive management are set out in note 3 to the financial statements.

9. Financial Instruments

The Company's risks are managed on a group level by the ultimate parent company, IFG Group plc.

The Company's financial instruments, other than derivatives, comprise loans to group undertakings, borrowings, cash and liquid resources, and various items, such as debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken on its own behalf.

All assets, liabilities and transactions are denominated in GBP.

Further disclosures regarding financial risk management objectives and policies and the Company's exposure to principal risks can be found in note 3.

10. Significant events after the balance sheet date

There are no significant events after the balance sheet date.

JAMES HAY HOLDINGS LIMITED

REPORT OF THE DIRECTORS (continued)

11. Auditors

Each of the Directors as at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all steps that he/she ought have taken as a Director to make himself/herself 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 s418 of the Companies Act 2006.

On 12 May 2015 PricewaterhouseCoopers resigned as auditors and Deloitte LLP were appointed. In accordance with Sections 485 and 487 of the Companies Act 2006 Deloitte LLP are deemed to have been re-appointed as auditors of the Company.

By Order of the Board

I McCoo
Director

29 June 2016

Registered Office Address: Trinity House, Anderson Road, Swavesey, Cambridge

STRATEGIC REPORT

1. Business review

The profit for the year attributable to owners amounted to £8.7m, of which £8.1m relates to dividends received from subsidiary companies (2014: £1.9m, £1.8 dividends received).

The results of the Company are included in the accounts on pages 7 to 23. Operating profit has increased by 51% mainly due to an increase in the administration expenses on which the Company earns a mark-up. This increase is due to the increasing costs incurred on administering the growing business.

The Company together with other fellow companies trades under the name of James Hay Partnership.

The IFG Group plc (the "Group") manages its operations on a segmental basis including the James Hay Partnership segment. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the segments of IFG Group plc, including James Hay Partnership, are discussed in the Group's Annual Report which does not form part of this Report.

The purpose of this Report is to provide information to the members of the Company and as such it is only addressed to those members. The Report may contain certain forward-looking statements with respect to the operations, performance and financial condition of the Company. By their nature, these statements involve inherent risks and uncertainties since future events, circumstances and other factors can cause results and developments to differ materially from the plans, objectives, expectations and intentions expressed in such forward-looking statements. Members should consider this when relying on any forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report and the Company undertakes no obligation to update any forward-looking statement during the year. Nothing in this Report should be construed as a profit forecast.

2. Principal risks and uncertainties

The Company's business is subject to the general risks to which all companies operating in the same market as the Company are subject. The markets in which the Company operates may be affected by numerous factors, many of which are beyond the Company's control and the exact effect of which cannot be accurately predicted. The principal risks and uncertainties facing the Company include adverse developments in the following areas:

- The regulatory, taxation or legislative environment applicable to the Company's activities;
- The intensity of competition in the markets in which the Company operates and changing demand for products;
- The economic, technological and other macro factors affecting demand for the Company's services;
- The Company's ability to successfully manage its costs and to maintain its profit margins during periods of declining income;
- The ability to attract and retain highly skilled employees and executives;
- The ability of the Company to avoid disruption to its key information technology systems;
- The maintenance of satisfactory relationships with key customers and intermediaries and the ability to attract and retain customers; and
- The ability to contain the level of loss arising from complaints from customers who have allegedly suffered losses as a result of mis-selling of financial products.

The Directors monitor all of the above risks and take appropriate action to mitigate those risks or address their potential adverse consequences. Financial risk management objectives and policies which have been implemented by executive management are set out in note 3 to the financial statements.

The IFG Group plc Board is responsible for the Group's risk management systems, which are designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives. Further details on the mitigation of the principal risks and uncertainties facing the Group are discussed in the Group's Annual Report.

By Order of the Board

I McCoo
Director

29 June 2016

Registered Office Address: Trinity House, Anderson Road, Swavesey, Cambridge

INDEPENDENT AUDITOR'S REPORT
To the members of James Hay Holdings Limited

We have audited the financial statements of James Hay Holdings Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 32. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT
To the members of James Hay Holdings Limited – continued

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act, 2006.

Opinion on other matter prescribed by the Companies Act, 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act, 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Partridge (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Glasgow, United Kingdom

29 June 2016

Income Statement
For the years ended 31 December 2015 and 31 December 2014

	NOTES	Year ended 2015 £'000	Year ended 2014 £'000
Revenue	6	32,703	29,676
Administrative expenses	9	(32,157)	(29,315)
Operating profit		546	361
Investment revenues	12	8,052	1,751
Profit before tax		8,598	2,112
Tax	13	73	(215)
Net profit attributable to owners		8,671	1,897

All the activities of the Company are classed as continuing.

Statement of Comprehensive Income
For the years ended 31 December 2015 and 31 December 2014

The Company has no comprehensive income or expenses attributable to equity holders other than the profit of £8.7m (2014: £1.9m) for the current and previous year as set out in the Income Statement.

Statement of Changes in Equity
For the years ended 31 December 2015 and 31 December 2014

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
1 January 2014	18,375	3,360	-	3,273	25,008
Transactions with owners					
Dividends paid	-	-	-	(1,750)	(1,750)
Total comprehensive income	-	-	-	1,897	1,897
31 December 2014	18,375	3,360	-	3,420	25,155
1 January 2015	18,375	3,360	-	3,420	25,155
Transactions with owners					
Dividends paid	-	-	-	(11,700)	(11,700)
Total comprehensive income	-	-	-	8,671	8,671
Other reserves movement	-	-	12	-	12
31 December 2015	18,375	3,360	12	391	22,138

The accompanying notes 1 to 32 on pages 10 to 23 are part of the financial statements.

JAMES HAY HOLDINGS LIMITED

Balance Sheet
At 31 December 2015 and 31 December 2014

	NOTES	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Non-current assets			
Intangible assets	14	5,220	3,160
Property, plant and equipment	15	757	46
Investments in subsidiaries	16	26,865	26,865
		32,842	30,071
Current assets			
Trade and other receivables	17	2,952	2,896
Cash and cash equivalents	19	31	10
		2,983	2,906
Total assets		35,825	32,977
Current liabilities			
Trade and other payables	20	12,852	3,353
Provisions	22	108	835
		12,960	4,188
Net current liabilities		(9,977)	(1,282)
Non-current liabilities			
Inter-company Loan	21	-	3,500
Provisions	22	360	-
Deferred tax liability	18	367	134
		727	3,634
Total liabilities		13,687	7,822
Net assets		22,138	25,155
Equity			
Share capital	23	18,375	18,375
Share premium account	24	3,360	3,360
Other reserves	25	12	-
Retained earnings	26	391	3,420
Total equity		22,138	25,155

The accompanying notes 1 to 32 on pages 10 to 23 are part of the financial statements.

The Company is registered in England & Wales No. 02506374.

The financial statements were approved by the board of Directors and authorised for issue on 29 June 2016. They were signed on its behalf by:

I McCoo
Director

Cash Flow Statement
For the years ended 31 December 2015 and 31 December 2014

	NOTE	Year ended 2015 £'000	Year ended 2014 £'000
Cash flows from operating activities	27	3,187	2,253
Tax received / (paid)		600	(38)
Net cash inflow from operating activities		3,787	2,215
Investing activities			
Interest received		2	1
Dividends received		1,250	1,750
Purchase of intangible assets		(1,782)	(2,178)
Purchase of tangible assets		(1,986)	(46)
Net cash used in investing activities		(2,516)	(473)
Financing activities			
Dividends paid		(1,250)	(1,750)
Net cash used in financing activities		(1,250)	(1,750)
Net increase / (decrease) in cash and cash equivalents		21	(8)
Cash and cash equivalents at beginning of year		10	18
Cash and cash equivalents at end of year	19	31	10

The accompanying notes 1 to 32 on pages 10 to 23 are part of the financial statements.

Notes to the financial statements

For the years ended 31 December 2015 and 31 December 2014

1. General Information

The principal activity of James Hay Holdings Limited, company number 02506374 (the "Company") is as a holding company providing head office and related services to its operating subsidiaries. The Company is a private limited company registered in England, and is incorporated and domiciled in England and Wales. The address of its registered office is Trinity House, Anderson Road, Swavesey, Cambridge, England.

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 years presented, unless otherwise stated.

Basis of preparation

The Financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union that are effective or available for early adoption at the Company's reporting date. The Company, in addition to complying with its legal obligation to comply with IFRSs as adopted for use in the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention and on the going concern basis as disclosed in the Directors' statement of going concern set out in the Report of the Directors. The financial statements have also been presented and rounded to the nearest thousand.

Future developments

The following new and revised standards, amendments and interpretations which have been issued, but are not yet effective for the year beginning 1 January 2015, have not yet been endorsed by the EU and have not been adopted early by the Company :

- IFRS 9 'Financial Instruments' - On 24 July 2014, the IASB issued its replacement of IAS 39 'Financial Instruments: Recognition and Measurement'. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase.

  The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before 1 February 2015. The Company is currently evaluating the requirements of IFRS 9.

- IFRS 15 'Revenue from Contracts with Customers' – On 28 May 2014, the IASB issued IFRS 15 'Revenue from Contracts with Customers'. At the same time, the US-based Financial Accounting Standards Board (FASB) has published its equivalent revenue standard, ASU 2014-09 'Revenue from Contracts with Customers' (Topic 606).The standards are the result of a convergence project between the two Boards. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is mandatorily effective for periods beginning on or after 1 January 2018. The Company is currently evaluating the requirements of IFRS 15.

- Amendments to IAS 1 'Presentation of Financial Statements' – On 18 December 2014, the IASB issued amendments to IAS 1 'Presentation of Financial Statements' which made the following changes:

  - Materiality – The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.
  - Statement of financial position and statement of profit or loss and other comprehensive income – The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
  - Notes - The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

Notes to the financial statements (continued)
For the years ended 31 December 2015 and 31 December 2014

2. Summary of significant accounting policies (continued)

Future developments (continued)

- Amendments to IAS 16 'Property, Plant and Equipment' – On 12 May 2014, the IASB issued amendments to IAS 16 'Property, Plant and Equipment'. The requirements of IAS 16 are amended to clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. This is because such methods reflects a pattern of generation of economic benefits that arise from the operation of the business of which an asset is part, rather than the pattern of consumption of an asset's expected future economic benefits.

- Amendments to IAS 27 'Separate Financial Statements' – On 12 August 2014, the IASB issued amendments to IAS 27 'Separate Financial Statements' which made the following changes:

  The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

  - at cost,
  - in accordance with IFRS 9 'Financial Instruments' (or IAS 39 'Financial Instruments: Recognition and Measurement for entities' that have not yet adopted IFRS 9), or
  - using the equity method as described in IAS 28 'Investments in Associates and Joint Ventures'. The accounting option must be applied by category of investments.

  The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

- Amendments to IAS 38 'Intangible Assets' – On 12 May 2014, the IASB issued amendments to IAS 38 'Intangible Assets'. The requirements of IAS 38 are amended to introduce a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate for the same reasons as in IAS 16. However, the IASB states that there are limited circumstances when the presumption can be overcome:

  - The intangible asset is expressed as a measure of revenue (the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold); and
  - It can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated (the consumption of the intangible asset is directly linked to the revenue generated from using the asset).

  The amendments to IAS 1, IAS 16, IAS 27 and IAS 38 are effective for periods beginning on or after 1 January 2016 and the Company is currently evaluating these requirements.

- Amendments to IAS 7 'Statement of Cash Flows' – On 29 January 2016, the IASB issued amendments to IAS 1 IAS 7 'Statement of Cash Flows' which requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. The amendments also state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

  The amendments are effective for periods beginning on or after 1 January 2017 and the Company is currently evaluating these requirements.

There are other standards and interpretations in issue not listed above. These are not considered applicable to the business.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for management recharges made to subsidiary companies and interest income.

Management recharges are recognised on an accruals basis. Interest income is accrued on a time basis.

Finance costs

Finance costs are recognised in the period in which they are incurred.

Notes to the financial statements (continued)
For the years ended 31 December 2015 and 31 December 2014

2. Summary of significant accounting policies (continued

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 entity operates ("the functional currency"). The financial statements are presented in "GBP" (£), which is the Company's presentation currency. All transactions are in GBP and the Company does not transact in other denominations.

Impairment of fixed assets

The carrying values of fixed assets are reviewed for impairment on an annual basis, with any reduction in value being recognised in the income statement in the period in which an indication of impairment occurred. A previously recognised impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that would have been had the original impairment not been recognised. For conducting impairment reviews, cash generating units are the lowest level at which management monitors the return on investment on assets.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any recognised impairment loss.

Software development costs are capitalised when they are associated with identifiable and unique software products that are expected to provide economic benefits and the cost of these products can be measured reliably. Internally developed software meeting these criteria and externally purchased software are classified in intangible assets on the balance sheet. Costs associated with maintaining software programmes are expensed as incurred. Amortisation is charged so as to write off the cost of the assets over their useful life, using the straight-line method on the following bases:

Software 20%

Other intangible assets are stated at cost less provisions for amortisation and impairment. Customer relationships acquired as part of a business combination are amortised over their estimated useful lives from the time they are first available for use. The estimated useful lives are determined at acquisition date are deemed to be 5 years. The residual value and useful lives of other intangible assets are reviewed and adjusted at the end of each reporting period, if appropriate.

Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of the assets over their useful life, using the straight-line method on the following bases:

Fixtures and equipment 20%

Financial assets

The entity classifies its financial assets in the following categories: financial assets at fair value through income statement; loans and receivables. Management determines the classification of its investments at initial recognition.

Impairment of financial assets

At each balance sheet date, the Company assess whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets classified as available for sale or loans and receivables have become impaired. Evidence of impairment may include indications that the borrower or group of borrowers have defaulted or are experiencing significant financial difficulty.

Notes to the financial statements (continued)
For the years ended 31 December 2015 and 31 December 2014

2. Summary of significant accounting policies (continued)

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments, which are not classified as available for sale. They arise when the entity provides money or services directly to a customer with no intention of trading the loan. Trade and receivables are carried at fair value on the balance sheet. They are derecognised when the rights to receive cash flows have expired or the entity has transferred substantially all of the risks and rewards of ownership.

Income taxes, including deferred income taxes

Income tax payable on profits, based on the applicable tax law in each jurisdiction is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short term investments in securities.

Financial liabilities, including borrowings and trade and other payables

Financial liabilities are recognised initially at fair value, being the proceeds (fair value of consideration received) net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingent liabilities are possible obligations whose existence will be confirmed only by certain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless the likelihood of a transfer of economic benefit is considered remote.

Share capital

Ordinary shares that have been issued are classified as equity and confer on the holder a residual interest in the assets of the Company after deducting all of its liabilities. Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes. Ordinary shares are classified as equity.

Other reserves

In line with the transitional arrangements set out in IFRS 2 'Share Based Payment', the recognition and measurement principles of this standard have been applied only in respect of share entitlements granted after 7 November 2002 and not vested by 1 January 2005. The Group operates a number of equity-settled, share based compensation plans. The Company's share of fair value of the employee services received in exchange for the equity instrument granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity under Other reserves. The fair value of share options is determined using the Black-Scholes model while the fair value of shares awarded is estimated as the market price of the shares at the grant date. The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instrument granted, excluding the impact of any non-market vesting

Notes to the financial statements (continued)

For the years ended 31 December 2015 and 31 December 2014

2. Summary of significant accounting policies (continued)

Other reserves (continued)

conditions. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. At each end of the reporting period, the entity revises its estimates of the number of equity instruments that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity over the remainder of the vesting period. The proceeds received by the Company, when share options are exercised, are credited to share capital at nominal value and share premium. In instances where shares are issued under the long-term incentive plan, the difference between the proceeds received and the nominal value of the shares is credited to other reserves. The Group does not operate any cash-settled share based payment schemes or share based payment transactions with cash alternatives as defined in IFRS 2.

Dividends

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends are recognised in the period in which they are declared.

3. Financial Risk Management

The Company's activities expose it to a number of financial risks: credit risk and liquidity risk. The IFG Group's Finance function seeks to reduce the Group's exposure to interest rate and other financial risks. It also ensures surplus funds are managed and controlled in a manner which will protect capital sums invested and ensure adequate short-term liquidity, whilst maximising returns. It operates policies and procedures which are periodically reviewed and approved by the Board of Directors. The board provides written policies for overall risk management. Formal standing committees are maintained for effective management of oversight.

Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations and may result in the Company losing the principal amount lent, the interest accrued and any unrealised gains, less any security held. It occurs in intercompany assets and cash held by the Company. Inter-company balances are settled monthly. Cash is held with Santander UK plc, which has a short-term credit rating risk of S&P A-1 (2014: S&P A-1), and with Barclays Bank plc, which has a short-term credit rating risk of S&P A-2 (2014: S&P A-1).

Maximum exposure to credit risk is £3.0m (2014: £2.9m).

Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

The Company manages liquidity risk by maintaining sufficient liquid resources to ensure it can meet its obligations as they fall due. *The company reviews its capital and liquid resources position on a monthly basis.*

Maturities of financial liabilities

At 31 December 2015	Demand £'000	Up to 3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Intercompany liabilities	12,478	56	55	-	-	12,589
Other liabilities	371	-	-	360	-	731
Total financial liabilities	12,849	56	55	360	-	13,320

At 31 December 2014	Demand £'000	Up to 3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Intercompany liabilities	3,349	-	-	-	3,500	6,849
Other liabilities	839	-	-	134	-	973
Total financial liabilities	4,188	-	-	134	3,500	7,822

Notes to the financial statements (continued)

For the years ended 31 December 2015 and 31 December 2014

3. Financial Risk Management (continued)

Operational risk

Operational risk is the potential for loss of income or decrease in the value of net assets caused by errors in the administration of pension schemes. These risks are managed on a daily basis through internal controls and formal standing committees are maintained for effective management of oversight.

Valuation processes

The Group's finance department performs the valuations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the chief financial officer (CFO) and the Group audit committee (AC). Discussions of valuation processes and results are held between the CFO, the AC and the finance department at least twice every year, in line with the Group's reporting dates.

4. Capital management and resources

The Company's ultimate parent is IFG Group plc. The IFG Group plc Board is responsible for capital management strategy and policy and ensuring that capital resources are appropriately monitored and controlled within regulatory and internal limits within the IFG Group of companies.

The Group's primary objective in respect of capital risk management is to safeguard its ability to continue as a going concern in order to provide returns for its members.

The Group may on occasion adjust the amount of dividends paid out to its members, return capital to members and issue new shares or buy back shares as the need arises.

Capital is monitored on the basis of the gearing ratio which is calculated as net debt divided by total capital. Net debt is calculated as the sum of total borrowings and contingent consideration on acquisitions less cash and cash equivalents. Total capital is calculated as the market value of ordinary shares in issue plus net debt.

5. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The financial statements include provisions to cover certain legal and other claims brought against some subsidiaries of the Group. The provisions recorded represent management's best estimate of the exposures based on information available at the time of the approval of the accounts. These estimates will, by definition, differ from the related actual outturn.

6. Revenue

An analysis of the Company's revenue is as follows:

Continuing operations	Year ended 2015 £'000	Year ended 2014 £'000
Rendering of services:		
Management recharges	32,703	29,676
Interest	-	-
	32,703	29,676
Investment revenues (note 12)	8,052	1,751
Total revenue	40,755	31,427

Management recharges represents the value of services provided to the Company's subsidiaries for the administration of self-invested personal pensions and personal investments.

Segmental Analysis

The Company recognises its revenue as being earned from one UK segment, as a holding company providing head office and related services to its operating subsidiaries.

Notes to the financial statements (continued)
For the years ended 31 December 2015 and 31 December 2014

7. Operating profit

Operating profit has been arrived at after charging:

	Year ended 2015 £'000	Year ended 2014 £'000
Auditors' remuneration for statutory audit services	15	15
Depreciation and amortisation	997	530

8. Auditors' remuneration

	Year ended 2015 £'000	Year ended 2014 £'000
Audit services		
- Statutory	15	15
Total	15	15

Auditors' remuneration was paid by other companies in the IFG Group.

9. Expenses by nature

	Year ended 2015 £'000	Year ended 2014 £'000
Staff costs (note 10)	16,556	16,699
Depreciation and amortisation	997	530
Other costs*	14,604	12,086
Total administrative	32,157	29,315

*Other costs include recharges from IFG Management UK Limited.

10. Staff costs

The average number of administrative persons employed by the Company during the year, including Directors, was nil (2014: nil).

All James Hay Partnership staff are employed by a number of fellow subsidiary companies. The average number of persons employed by other companies for which recharges were made to the Company for the year was 490 (2014: 512). James Hay Holdings Limited recharged all of these costs to its subsidiary companies.

11. Directors' emoluments

The emoluments of the Directors were paid by other companies in the IFG Group.

12. Investment revenues

	Year ended 2015 *£'000*	Year ended 2014 *£'000*
Interest on bank deposits	2	1
Dividends received	8,050	1,750
	8,052	1,751

During the year, the Company received a cash dividend of £1.25m from James Hay Wrap Managers Limited and an in-specie dividend of £6.80m from James Hay Insurance Company Limited.

Notes to the financial statements (continued)

For the years ended 31 December 2015 and 31 December 2014

13. Tax	Year ended 2015 £'000	Year ended 2014 £'000
Current tax:		
UK corporation tax		
Current year	128	132
Prior Year	(434)	(84)
	(306)	48
Deferred tax (note 18)		
Current year	1	(50)
Prior Year	232	217
	(73)	215

Corporation tax is calculated at 20.25% (2014: 21.50%) of the estimated assessable profit for the year.

The (credit) / charge for the year can be reconciled to the profit per the income statement as follows:

	Year ended 2015 £'000	Year ended 2014 £'000
Profit before tax:		
Continuing operations	8,598	2,112
Tax at the UK corporation tax rate of 20.25% (2014: 21.50%)	1,741	454
Tax effect of expenses that are non-deductible in determining taxable profit	18	3
Non-taxable income	(1,630)	(376)
Tax effect of change in rate on deferred tax position	13	-
Adjustments in respect of prior periods	(215)	134
Tax (credit) / charge for the year	(73)	215

14. Intangible assets

	Customer relationship £'000	Software £'000	Total £'000
Cost			
At 1 January 2014	-	1,707	1,707
Additions	-	2,178	2,178
Research and development expenditure credit	-	(87)	(87)
At 31 December 2014	-	3,798	3,798
Additions	1,264	1,782	3,046
Research and development expenditure credit	-	-	-
At 31 December 2015	1,264	5,580	6,844
Accumulated amortisation			
At 1 January 2014	-	(108)	(108)
Charge for the year	-	(530)	(530)
At 31 December 2014	-	(638)	(638)
Charge for the year	(108)	(878)	(986)
At 31 December 2015	(108)	(1,516)	(1,624)
Net book value 2014	**-**	**3,160**	**3,160**
Net book value 2015	**1,156**	**4,064**	**5,220**

During the year, the Company claimed a Research and Development Expenditure Credit (RDEC) of £150k (2014: £87k) in respect of the software costs incurred in 2015.

Notes to the financial statements (continued)

For the years ended 31 December 2015 and 31 December 2014

15. Property, plant and equipment

	Office equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2014	-	-	-
Additions	-	46	46
At 31 December 2014	-	46	46
Additions	24	698	722
At 31 December 2015	24	744	768
Accumulated depreciation			
At 1 January 2014	-	-	-
Charge for the year	-	-	-
At 31 December 2014	-	-	-
Charge for the year	(1)	(10)	(11)
At 31 December 2015	(1)	(10)	(11)
Net book value 2014	**-**	**46**	**46**
Net book value 2015	**23**	**734**	**757**

16. Investments in subsidiaries

The following is a list of the principal subsidiary undertakings of the Company:

Name of subsidiaries	Place of incorporation ownership (or registration) and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
James Hay Wrap Managers Limited	England and Wales	100	100	Portfolio administration services for personal investments and small self-invested pension schemes
James Hay Administration Company Limited	England and Wales	100 (Indirect)	100 (Indirect)	Administration of self-invested personal pension schemes
James Hay Insurance Company Limited	Jersey	100	100	Provider of self-invested personal pension schemes
James Hay Pension Trustees Limited	England and Wales	100 (Indirect)	100 (Indirect)	Trustee of self-invested personal pension schemes
James Hay Wrap Nominee Company Limited	England and Wales	100 (indirect)	100 (indirect)	Dormant
Sarum Trustees Limited	England and Wales	100 (indirect)	100 (indirect)	Dormant

Investments in subsidiary companies are shown at cost less provision for impairment. The company has exercised the exemption under Section 400 of the Companies Act 2006, which dispenses with the requirement to prepare group accounts. This is also in line with the exemption in IAS 27 'Separate Financial Statements'.

	£'000
Cost	
At 1 January 2014, 31 December 2014 and at 31 December 2015	38,700
Provisions for impairment	
At 1 January 2014, 31 December 2014 and at 31 December 2015	11,835
Net book value 2014 and 2015	26,865

Notes to the financial statements (continued)
For the years ended 31 December 2015 and 31 December 2014

17. Trade and other receivables

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Amounts due by group companies	2,852	2,895
Other receivables	100	1
	2,952	2,896

18. Deferred tax

Deferred income taxes are calculated on temporary differences under the liability method using the tax rates that are expected to apply when the liability is settled or the asset is realised. The effective rate for 2015 is 18% (2014: 20%).

The following are the major deferred tax assets and liabilities recognised by the Company and the movements thereon during the current and prior reporting period.

	Accelerated capital allowances £'000	Other short term timing differences £'000	Total £'000
At 1 January 2014	33	-	33
Charge to income	(167)	-	167
At 1 January 2015	(134)	-	(134)
Charge to income	(198)	(35)	(233)
At 31 December 2015	(332)	(35)	(367)

19. Cash and cash equivalents

	Year ended 2015 £'000	Year ended 2014 £'000
Cash at bank and in hand	31	10
Total cash and cash equivalents	31	10

20. Trade and other payables

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Amounts due to group companies	12,367	3,422
Group relief	222	(73)
Other payables	263	4
	12,852	3,353

21. Loans from subsidiary

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Amounts due to James Hay Insurance Company Limited at 31 December	-	3,500
	-	3,500

On 24 August 2010, James Hay Insurance Company Limited a subsidiary of the Company made a loan of £3.5m. The loan is recorded at cost and repayment will be at a date that is mutually agreeable to both parties except the loan shall become immediately payable without demand or notice if a) the borrower is declared bankrupt or applies for moratorium b) a receiver or liquidator is appointed for the borrower. On the 27 March 2015 this loan together with the loan of £3.3m assigned from IFG Group PLC on 16 March 2015, was settled by the dividend in specie of £6.8m issued by James Hay Insurance Company Limited.

Notes to the financial statements (continued)

For the years ended 31 December 2015 and 31 December 2014

22. Provisions

	Year ended 31 December 2015 Other provisions £'000	Year ended 31 December 2014 Other provisions £'000
At 1 January	835	947
Provision movement in the year	(196)	155
Utilisation of provision	(171)	(267)
At 31 December	468	835
Included in liabilities due within one year	108	835
Included in liabilities due in more than one year	360	-
	468	835

Provisions mainly comprise other provisions and represent management's best estimate of potential future costs the Company may incur in relation to a combination of uncertain events. These provisions have been calculated based on past experience and industry expectations.

23. Called up share capital

	2015 £'000	2014 £'000
Authorised:		
200,000,000 ordinary shares of £0.10 each	20,000	20,000
1,996,612 deferred shares of £0.10 each	200	200
	20,200	20,200

	2015 £'000	2014 £'000
Issued and fully paid:		
181,753,848 ordinary shares of £0.10 each	18,175	18,175
1,996,612 deferred shares of £0.10 each	200	200
	18,375	18,375

Deferred shareholders have no voting rights in the Company, no rights to receive any dividends and no rights to participate in a surplus on a winding up. Deferred shareholders have the right to receive a return of capital only after the sum of £10,000,000 has been paid in respect of each ordinary share.

24. Share premium account

	£'000
Balance at 1 January and 31 December 2015	3,360
Balance at 31 December 2015	3,360

25. Other reserves

	£'000
Balance at 1 January 2014 and 31 December 2014	-
Movement for year	12
Balance at 31 December 2015	12

Other reserves relate to the Company's share of the fair value of the employee services received in exchange for the equity instrument granted by the Group.

Notes to the financial statements (continued)

For the years ended 31 December 2015 and 31 December 2014

26. Retained earnings

	£'000
Balance at 1 January 2014	3,273
Dividends paid	(1,750)
Net profit	1,897
Balance at 31 December 2014	3,420
Balance at 1 January 2015	3,420
Dividends paid *	(11,700)
Net profit	8,671
Balance at 31 December 2015	391

* During the year, the Company paid a cash dividend of £1.25m and a dividend in-specie of £10.45m.

27. Notes to the cash flow statement

	Year ended 2015 £'000	Year ended 2014 £'000
Profit before tax	8,598	2,112
Adjustments for:		
Depreciation on property, plant and equipment	11	-
Amortisation of software capitalisation and other intangibles	986	530
Decrease in provisions	(367)	(112)
Movement in other reserves	12	-
R&D tax credit	-	7
Investment revenues	(8,052)	(1,751)
Operating cash flows before movements in working capital	1,188	786
(Increase) / decrease in receivables	(56)	59
Increase in payables	2,055	1,408
Cash flow from operating activities	3,187	2,253

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

During the year, a loan of £3.5m due to James Hay Insurance Company Limited, together with a loan of £3.3m assigned from IFG Group PLC, were settled by a dividend in specie of £6.8m issued by James Hay Insurance Company Limited. The Company also declared a dividend in-specie of £10.45m. These are non-cash items and have therefore been excluded from the Cash Flow Statement.

28. Related party transactions

Transactions with Directors, key management personnel and their connected persons

There were no related party transactions during the year, or existing at the balance sheet date other than those disclosed below with the Company or parent Company's Key Management Personnel. Key Management Personnel are defined as the Directors of the Company, the Board and Executive Committee of IFG Group plc.

Trading transactions

The Company is party to the Provisions of Services contract dated 10 March 2010, between IFG Management UK Limited, the Company and its subsidiaries, James Hay Pension Trustees Limited, James Hay Insurance Company Limited, James Hay Wrap Managers Limited, James Hay Administration Company Limited and James Hay Wrap Nominee Company Limited. Under this contract James Hay Holdings Limited, on a non-exclusive basis, provides all services in relation to the conduct of the business of its subsidiaries, James Hay Administration Company Limited and James Hay Wrap Managers Limited, and their dealings with customers. This includes the provision of all staff, computer and administrative systems and procedures and other support services, which under the agreement James Hay Holdings Limited procures from IFG Management UK Limited and recharges on to these two subsidiaries. IFG Management applies a 5% margin to the central costs recharged to James Hay Holdings Limited.

Notes to the financial statements (continued)

For the years ended 31 December 2015 and 31 December 2014

28. Related party transactions (continued)

During the year, the Company entered into the following transactions with related parties:

	Income		Expenditure		Amounts owed by related parties		Amounts owed to related parties	
	Year Ended 2015 £'000	Year Ended 2014 £'000	Year Ended 2015 £'000	Year Ended 2014 £'000	Year Ended 2015 £'000	Year Ended 2014 £'000	Year Ended 2015 £'000	Year Ended 2014 £'000
Entities with significant influence over the Company – non cash	-	-	11,700	1,750	-	-	9,032	-
Subsidiaries	40,754	31,426	123	270	2,852	2,895	184	3,517
Fellow subsidiaries	-	-	31,507	28,617	-	-	3,151	3,332

During the year, the Company has recharged its subsidiaries, James Hay Administration Company Limited and James Hay Wrap Managers Limited £30,676k and £2,028k respectively (2014: £27,792k and £1,884k) for the provision of staff, computer and administrative systems and procedures and other support services.

The Company has paid its subsidiary, James Hay Wrap Managers Limited £nil (2014: £143k) for Wrap Offshore Bond provisions utilised.

James Hay Administration Company Limited and James Hay Wrap Managers Limited have recharged the Company £83k and £40k (2014: £117k and £10k) respectively in respect of compensation provisions.

The Company was recharged by its associated company IFG Management UK Limited £29,510k (2014: £28,617k) for provision of staff, computer, administrative systems and procedures and other support services including exceptional costs and £nil (2014: £493k) for IFG accounts recharges.

The Company was recharged by its associated company IFG Securities Limited £1,997k (2014: £nil) for provision management services of which £527k remains outstanding at the year end.

The Company received dividends from James Hay Insurance Company Limited and James Hay Wrap Managers Limited of £6,800k (in specie) and £1,250k respectively (2014: £1,250k and £500k).

During the year, the Company has also paid dividends of £11,700k to IFG UK Holdings Limited (2014: £1,750k), see note 25.

The Company has group relief payable of £222k as at 31 December 2015 (2014: group relief receivable of £72k).

There were no transactions between the Company and its ultimate parent company IFG Group plc.

29. Remuneration of key management personnel

Key Management Personnel are defined as the Directors of the Company, the Board and Executive Committee of IFG Group plc and its ultimate parent company, IFG Group plc. Remuneration of key management personnel for the current and preceding years has been borne by other group companies.

30. Significant events after the balance sheet date

There are no significant events after the balance sheet date.

31. Commitments and contingencies

The Company has no commitments and contingencies as at 31 December 2015. The Company together with other group companies has guaranteed borrowings from Barclays Bank Ireland plc totalling £7m as at 31 December 2015 (2014: £7m).

Notes to the financial statements (continued)

For the years ended 31 December 2015 and 31 December 2014

32. Parent undertaking and controlling party

The Company's immediate parent company is IFG UK Holdings Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking and controlling party is IFG Group plc, a company incorporated in Ireland. IFG Group plc is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member.

Copies of all sets of group accounts, which include the results of the Company, are available from Company Secretary, IFG Group plc, IFG House, The Oval, Shelbourne Road, Ballsbridge, Dublin 4, Ireland.