

Savills Capital Advisors Limited

(Registered Number: 02828896)

Annual Report and Financial Statements

For the year ended 31 December 2015

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Savills Capital Advisors Limited

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Simon Hope
Nicola McGinnis

Registered Office

33 Margaret Street, London W1G 0JD

Independent Auditors

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, 1 Embankment Place, London WC2N 6RH

Solicitors

CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD

Principal Bankers

Barclays Bank plc, 1 Churchill Place, London E14 5HP

Savills Capital Advisors Limited

Strategic Report

Principal activity

The principal activity of the Company is corporate financial advisory work and it is regulated by the Financial Conduct Authority (FCA). The Company is a limited company, incorporated and domiciled in England and Wales with its registered office at 33 Margaret Street, London W1G 0JD.

Principal risks & uncertainties

The Directors of Savills plc Group ("the Group") manage the Group's risks at a Group level, rather than at an individual business unit level. For this reason, the Company's Directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of Savills Capital Advisors Limited's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 27-31 of Savills plc 2015 Annual Report and Accounts.

Key Performance Indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The KPIs used by the Savills plc Group are discussed on page 32 of Savills plc 2015 Annual Report and Accounts.

Financial performance

Turnover was £491,000 in 2015, which was down on 2014 (£626,000), reflecting the lower regulated work generated from the housing sector. Budgeted revenue for 2016 is £500,000.

The Company continued to make a profit, however its pre-tax margin fell by 11.4% to 52.2%.

Financial position

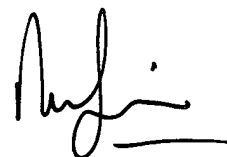
The net assets of the Company as at 31 December 2015 were £783,000 which was up on 2014 (£578,000). This was due to the Company generating profits and paying no dividend during the year.

Future Developments

The Directors expect the Company to continue performing as it did in 2015 and therefore continue to be profitable.

The financial statements on pages 7 to 18 were approved by the Board of on 20 April and signed on its behalf by Nicola McGinnis.

Registered Office:
33 Margaret Street
London W1G 0JD



Nicola McGinnis
20 April 2016

Savills Capital Advisors Limited

Directors' Report

The Directors present their Report and the audited financial statements of Savills Capital Advisors Limited ("the Company") for the year ended 31 December 2015.

Results and dividends

The profit for the financial year is £205,000 (2014 – £313,000). No interim dividend was paid and no final dividend is proposed (2014 - nil).

Principal developments

A review of operations is provided in the ultimate parent undertaking's, Savills plc 2015, Annual Report and Accounts, on pages 33-38. There have been no significant changes during the year and no developments to report.

Financial Risk

A review of the financial risks can be found in note 2 within these financial statements.

Key Performance Indicators

Key Performance Indicators are discussed in the Strategic Report on page 2.

Future Developments

Future developments are discussed in the Strategic Report on page 2.

Directors

The current Directors of the Company are shown on page 1.

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. 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 if necessary.

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:

Savills Capital Advisors Limited

Directors' Report (continued)

Statement of Directors' responsibilities (continued)

- 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 the group 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 the group 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 independent auditors

In accordance with Section 418, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

Registered Office:
33 Margaret Street
London W1G 0JD

On behalf of the Board



Nicola McGinnis
20 April 2016

Savills Capital Advisors Limited

Independent auditors' report to the members of Savills Capital Advisors Limited

Report on the financial statements

Our opinion

In our opinion, Savills Capital Advisors Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Savills Capital Advisors Limited's financial statements comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Income Statement and the 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, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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.

Savills Capital Advisors Limited

Independent auditors' report to the members of Savills Capital Advisors Limited (continued)

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 3, 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) ("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 Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

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

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.



David A Snell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 April 2016

Savills Capital Advisors Limited

Income Statement for the year ended 31 December 2015

		Year to 31 December 2015 £'000	Year to 31 December 2014 £'000
	Notes		
Turnover – continuing operations		491	626
Less:			
Employee benefits expense	4	-	-
Depreciation expense		-	-
Other operating expenses	3	(234)	(225)
Operating profit	3	257	401
Interest receivable and similar income	5	5	3
Interest payable and similar charges	5	(6)	(6)
Profit on ordinary activities before taxation		256	398
Tax on profit on ordinary activities	6	(51)	(85)
Profit for the financial year		205	313

Statement of Comprehensive Income for the year ended 31 December 2015

		Year to 31 December 2015 £'000	Year to 31 December 2014 £'000
	Notes		
Profit for the financial year		205	313
Total comprehensive income for the year		205	313

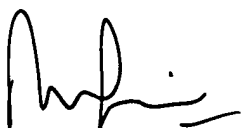
The Notes on pages 10 to 18 form part of the financial statements.

Savills Capital Advisors Limited

Statement of Financial Position as at 31 December 2015

	Notes	31 December 2015 £'000	31 December 2014 £'000
Current assets			
Debtors	7	216	9
Cash at bank and in hand		986	1,005
Total current assets		1,202	1,014
Creditors: amounts falling due within one year	8		
Trade and other creditors	8	(368)	(351)
Current tax liability		(51)	(85)
Net current assets		783	578
Total assets less current liabilities		783	578
Net Assets		783	578
Capital and reserves			
Called up share capital	9	2,250	2,250
Profit and loss account		(1,467)	(1,672)
Total shareholders' funds		783	578

The financial statements on pages 7 to 18 were approved by the Board of on 20 April 2016 and signed on its behalf by Nicola McGinnis.



Nicola McGinnis
Date: 20 April 2016

Registered Number: 02828896

The Notes on pages 10 to 18 form part of the financial statements.

Savills Capital Advisors Limited

Statement of Changes in Equity for the year ended 31 December 2015

	Called up share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 January 2015	2,250	(1,672)	578
Profit for the financial year	-	205	205
Total comprehensive income for the year	-	205	205
Balance at 31 December 2015	2,250	(1,467)	783
Balance at 1 January 2014	2,250	(1,985)	265
Profit for the financial year	-	313	313
Total comprehensive income for the year	-	313	313
Balance at 31 December 2014	2,250	(1,672)	578

The Notes on pages 10 to 18 form part of the financial statements.

Savills Capital Advisors Limited

Notes to the financial statements

1 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.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable using the Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework. FRS 101 is effective for periods beginning on or after 1 January 2015. As a result, no cash flow statement has been prepared.

Trade debtors

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade debtors are discounted where the time value of money is material.

A provision for impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtor. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debtor is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'other operating expenses'. When a trade debtor is uncollected, it is written off against the allowance account for trade debtors. Subsequent recoveries of amounts previously written off are credited against 'other operating expenses' in the income statement.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand and deposits held on call with banks, together with other short-term highly liquid investments with original maturities of three months or less and working capital overdrafts, which are subject to an insignificant risk of changes in value.

Trade creditors

Trade creditors are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Taxation

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 equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

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 generate 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, using the liability method, 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 or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Savills Capital Advisors Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

Deferred income tax is recognised, using the liability method, 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 or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax 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.

Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount has been reliably estimated. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Turnover

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of value-added tax and the amounts due to third parties.

Turnover is recognised as specified in the individual fee agreements and comprises monthly fixed retainer fees as well as additional success fees on closure.

Standards, amendments and interpretations to standards effective in 2015

Standards, amendments and interpretations mandatorily effective for the first time for the financial year beginning 1 January 2015 that are not relevant or considered significant to the Group include the following:

Amendments to IAS 19	Clarification on accounting for employee contributions to defined benefit plans
Amendments to IFRSs	Annual Improvements to IFRSs 2011 – 2013 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2010 – 2012 Cycle

Other standards, amendments and interpretations mandatorily effective for the first time for the financial year beginning 1 January 2015 and not discussed above are not relevant or considered significant to the Company.

The following standards and amendments to published standards are mandatory for accounting periods beginning on or after 1 January 2016, and have not been early adopted:

- IFRS 15, 'Revenue from contracts with customers', effective for accounting periods beginning on or after 1 January 2018 (subject to EU endorsement). The standard 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. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The application of IFRS is not expected to have a material impact on the amounts recognised in the Company's financial statements however, may have a material impact on the disclosures.

Savills Capital Advisors Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

- IFRS 9, 'Financial instruments', including amendments, effective for accounting periods beginning on or after 1 January 2018. This standard 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 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The application of IFRS 9 is not expected to have a material impact on the amounts reported in the Company's consolidated financial statements.

Disclosure exemptions under FRS 101

The following disclosure exemptions have been adopted under the FRS 101 Reduced Disclosure Framework and are material to the Company:

- Presentation of a cash flow statement;
- Disclosure of key management personnel compensation; and
- Disclosure of related party transactions between wholly-owned subsidiaries and parents with the Savills plc group.

Capital Requirements Directive Disclosures under Pillar 3

Background

The 2006 EEA Capital Requirements Directive ('the Directive') based on the provisions of the Basel 2 Accord created a revised regulatory capital framework across Europe agreed by the G-10.

This was implemented in the United Kingdom by the Financial Conduct Authority ('FCA') and specifically through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The new framework consists of three 'pillars':

- Pillar 1 sets out the minimum capital requirements that Savills Capital Advisors Limited is required to meet for credit, market and operational risk;
- Pillar 2 requires Savills Capital Advisors Limited to take a view on whether additional capital should be held against capital risks not covered by Pillar 1; and
- Pillar 3 requires us to publish certain details of our risks, capital and risk management process.

The FCA rules under BIPRU require that a firm subject to the provisions of the Directive must disclose, as appropriate, the relevant information required under Pillar 3. This must be done in accordance with a formal disclosure policy which sets out our policies for assessing the appropriateness of our disclosures, including their verification and frequency.

Savills Capital Advisors Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

The rules provide that we may omit one or more of the required disclosures if we believe that the information is immaterial. Materiality is based on the criteria that the omission or misstatement of material information would be likely to change or influence the assessment or decision of a user relying on that information for the purposes of making economic decisions. Where we have considered a disclosure to be immaterial, we have stated this in the relevant section.

We are also permitted to omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential. Proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers and counterparties. Where we have omitted information for either of these two reasons we have stated this in the relevant section and the reasons for this. Where appropriate, we have published more general information on the subject matter of the required disclosure.

Savills Capital Advisors Limited, registered in England, Number 02828896, is authorised and regulated by the Financial Conduct Authority and is a subsidiary of Savills (UK) Limited registered in England, Number 02605138. The registered office of both entities is at 33 Margaret Street, London W1G 0JD.

Risk management objectives and policies

Savills Capital Advisors Limited risk management policy reflects the FCA requirement that we must manage a number of different categories of risk. These include for Savills Capital Advisors Limited: credit, market, business and operational.

- **Market Risk**

Under Pillar 1, our market risk is limited to our exposure to foreign exchange fluctuations, due to some assets and liabilities being denominated in currencies other than sterling.

- **Business Risk**

Our Pillar 2 business risk assessment principally considers our exposure to one form of asset class i.e. property. To mitigate our business risk, the Savills Capital Advisors Limited Investment and Risk committee regularly analyses various different economic scenarios to model the impact of economic downturns on our financial position.

- **Operational Risk**

Most of our risk management efforts are focused on operational risk. This includes everything, from risk to our business strategy to adverse reputational risk. Our policy is to operate a robust and effective risk management process, embedded within the governance and management structures of our business. The concept of reducing risk to acceptable levels implies some articulation of risk appetite.

Our risk management framework defines what operational risk means to us and this is approved by our Board.

All business areas are subject to at least an annual risk review conducted by our senior management and our Investment and Risk Committee and by the group internal audit review. During these reviews, potential and actual operational risks are identified and controls put in place to mitigate them. We actively monitor risks that remain out with our tolerance levels after mitigating controls have been put in place.

Savills Capital Advisors Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

These risk registers are reviewed regularly as part of our management control framework. The risk management process consists of a cycle of risk identification and assessment, control evaluation and action planning, action completion, measurement and reporting, monitoring and assurance and board level review.

Capital resources

Our capital resources comprise of core Tier 1 and Tier 3 capital, there are no other items or deductions. In accordance with GENPRU 2.1.45R (calculation of variable capital requirement for a limited licence BIPRU firm), our capital requirement has been determined as being our fixed overhead requirement and the sum of our credit risk capital requirement and our market risk capital requirement.

Compliance with rules in BIPRU and Pillar 2 rule requirements

Our overall approach to assessing the adequacy of our internal capital is set out in our Internal Capital Adequacy Assessment Process (ICAAP).

The ICAAP process involves separate consideration of risks to our capital combined with stress testing using scenario analysis. The level of capital required to cover risks is a function of impact and probability. We assess impact by modelling the changes in our income and expenses caused by various potential risks over a 2-year time horizon. Probability is assessed subjectively.

Our Pillar 2 capital requirement, which is our own assessment of the minimum amount of capital that we believe is adequate against the risks identified, has been assessed as being more than our Pillar 1 capital requirement. Therefore, our Pillar 1 plus Pillar 2 requirement is the minimum regulatory capital requirement that we will hold.

Basis and Frequency of Disclosures

This disclosure document has been prepared by Savills Capital Advisors Limited in accordance with the requirements of Pillar 3. Unless otherwise stated, all calculations will be based on figures as at 31 December, our financial year-end. Future disclosures will be issued on an annual basis and published as soon as practicable after the publication of the Director's Report and Accounts.

Critical accounting estimates and management judgements

Estimates and judgements are continually evaluated and are based on historical experience, current market conditions and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Changes in accounting estimates may be necessary if there are changes in circumstances on which the estimate was based, or as a result of new information or more experience. There are no estimates or assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Financial Risk Management

Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risks primarily with respect to the euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Company does not actively seek to hedge risks arising from foreign currency transactions due to the high costs associated with such hedging; however when there is a material committed foreign currency exposure the foreign exchange risk will be hedged.

Savills Capital Advisors Limited

Notes to the financial statements (continued)

2 Financial Risk Management (continued)

Interest rate risk

The Company has interest-bearing liabilities. The Company finances its operations through its retained profits and borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

If the average interest rate for the year had changed with all other variables held constant, the Company post tax profit for the year would have increased or decreased as shown below:

Movement of interest rates £'000's	+/-0.50%	+/-1.00%	+/-1.50%	+/-2.00%
For the year ended 31 December 2015	5	10	15	20
Estimated impact on post tax profit				
For the year ended 31 December 2014				
Estimated impact on post tax profit	4	8	11	15

Credit risk

The Company has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to clients, including outstanding debtors and committed transactions. The Company has policies that require appropriate credit checks on potential customers before engaging with them. A risk control framework is used to assess the credit quality of clients, taking into account financial position, past experience and other factors. The most significant individual trade debtor was Raven Housing Trust which accounted for 53% of trade debtors (2014 – no significant trade debtors) however the Directors are confident that the credit risk for this entity is low. Primarily all cash is held with Barclays Bank plc which is an A rated bank.

Liquidity risk

Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow. This is consolidated by the Group, which is responsible for securing finance.

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to provide returns for shareholders and benefits for other stakeholders
- to maintain an optimal capital structure to reduce the cost of capital
- to ensure capital requirements set by the FCA are complied with (the Company was compliant with all requirements during the year ended 31 December 2015 and 31 December 2014).

3 Operating profit

Operating profit includes CASS audit fees of £3,000 (2014 – £6,000). Financial statement audit fees of £2,000 (2014 - £2,000) were borne by the Company's parent.

Savills Capital Advisors Limited

Notes to the financial statements (continued)

4 Staff & Directors

a) Staff numbers

The monthly average number of employees during the year was nil (2014 - nil)

b) Directors' interests, remuneration and key management compensation

In 2015, the Directors were the only key management of the Company. The Directors are also employees of the parent company Savills (UK) Limited. The Directors' emoluments are borne by Savills (UK) Limited with no recharge to the Company. These services were of negligible value.

5 Net interest

	Year to 31 December 2015 £'000	Year to 31 December 2014 £'000
Bank interest receivable	5	3
Intercompany loan interest payable	(6)	(6)
	(1)	(3)

6 Tax on profit on ordinary activities

Analysis of tax charge for the year	Year to 31 December 2015 £'000	Year to 31 December 2014 £'000
Current tax		
United Kingdom Corporation tax at 20.25% (2014 – 21.5%)	51	85
Total current tax	51	85
Income tax expense	51	85

The weighted average applicable UK corporation tax rate was 20.25% (2014: 21.5%) due to the reduction of the UK corporation tax rate from 21% to 20% which was effective from 1 April 2015. The tax on the Company's profit on ordinary activities before taxation for the year is the same as (2014 – the same as) the weighted average rate of 20.25% (2014: 21.5%). The total tax charge on profit can be reconciled to the accounting profit as follows:

	Year to 31 December 2015 £'000	Year to 31 December 2014 £'000
Profit on ordinary activities before taxation	256	398
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	51	85
Tax charge	51	85

At Summer Budget 2015, the government announced legislation setting the Corporation Tax rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax rate for the year starting 1 April 2020, setting the rate at 17%.

Savills Capital Advisors Limited

Notes to the financial statements (continued)

7 Debtors

	31 December 2015 £'000	31 December 2014 £'000
Trade debtors	215	-
Less: provision for impairment of debtors	-	-
Net Trade debtors	215	-
Other debtors	1	9
	216	9

The carrying value of trade and other debtors approximates to fair value.

As at 31 December 2015, no trade debtors were impaired (2014 – none) and so none provided for.

As at 31 December 2015, trade debtors of £215,000 (2014 – nil) were past due but not impaired. The ageing analysis of these debtors is as follows:

	31 December 2015 £'000	31 December 2014 £'000
Up to 3 months	215	-
3 to 6 months	-	-
Over 6 months	-	-
	215	-

The provision for impairment of trade debtors is nil at 31 December 2015 (2014 – nil).

8 Creditors: amounts falling due within one year

	Notes	31 December 2015 £'000	31 December 2014 £'000
Amounts owed to parent and fellow subsidiary undertakings	10	365	342
Other taxation & social security		-	6
Accruals & deferred income		3	3
		368	351

Savills Capital Advisors Limited

Notes to the financial statements (continued)

9 Called up share capital

	31 December 2015 No. shares	31 December 2014 No. shares
Ordinary shares of £1 each:		
Authorised, allotted, called up & fully paid	2,250,000	2,250,000

10 Related party transactions

During the year ended 31 December 2015 various transactions occurred between the Company and Savills plc and its subsidiaries. These related to recharges of shared costs and introduction fees for referrals, as well as debtor and creditor intercompany transactions. All amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. All transactions were undertaken on an arm's length basis.

A summary of transactions and amounts owed or due are detailed below:

	Value of Transactions 2015 £'000	Amounts owed at 31 December 2015 £'000	Value of Transactions 2014 £'000	Amounts owed at 31 December 2014 £'000
Savills plc	-	-	(27)	(14)
Savills (UK) Limited	(234)	(365)	(167)	(328)

11 Parent undertaking

The immediate parent undertaking of Savills Capital Advisors Limited is Savills (UK) Limited.

The ultimate parent undertaking and controlling party is Savills plc.

Savills plc is the parent undertaking of the largest group of undertakings to consolidate these financial statements to 31 December 2015. Copies of the 2015 Savills plc Group financial statements are available from its registered office at 33 Margaret Street, London W1G 0JD.