

Registration number: 03867885

Patersons Financial Services Limited

Annual report and financial statements

for the year ended 31 March 2014

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Patersons Financial Services Limited

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The following pages do not form part of the statutory financial statements:

Detailed profit and loss account	13 to 14
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Patersons Financial Services Limited
Directors' report for the year ended 31 March 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

Directors of the company

The directors who held office during the year were as follows:

J A Warwick

J P Mervis

P L G Cotgrove (resigned 21 August 2013)

Business review

Fair review of the business

During last year the directors took the decision to transfer the general insurance business to another group company. The directors do not intend to write new insurance business through the company and with a significant curtailment of the company's operations, the directors have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

Milsted Langdon LLP have expressed their willingness to continue in office.

The Directors' report has been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board on 10 June 2014 and signed on its behalf by:



.....
J A Warwick
Director

Patersons Financial Services Limited

Statement of directors' responsibilities

The directors are responsible for preparing the 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Patersons Financial Services Limited

We have audited the financial statements of Patersons Financial Services Limited for the year ended 31 March 2014, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As described in note 1, they have not been prepared on a going concern basis.

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 auditors' 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 (set out on page 2), 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 (APB'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 Directors' 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.

Opinion on the 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 March 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent auditors' report to the members of
Patersons Financial Services Limited**

..... continued

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.



Nigel Fry (Senior Statutory Auditor)
For and on behalf of
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Winchester House
Deane Gate Avenue
Taunton
TA1 2UH

17 June 2014

Patersons Financial Services Limited
Profit and loss account for the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover		7,738	63,518
Administrative expenses		1,601	(188,696)
Operating profit/(loss)	2	9,339	(125,178)
Other exceptional items	3	19,086	-
Other interest receivable and similar income	6	94	451
Profit/(loss) on ordinary activities before taxation		28,519	(124,727)
Profit/(loss) for the financial year	11	28,519	(124,727)

Turnover and operating profit derive wholly from activities that ceased during the year.

The company has no recognised gains or losses for the year other than the results above.

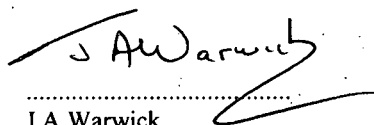
Patersons Financial Services Limited

(Registration number: 03867885)

Balance sheet at 31 March 2014

	Note	2014 £	2013 £
Current assets			
Debtors	8	-	35,425
Cash at bank and in hand		31,614	48,194
		<u>31,614</u>	<u>83,619</u>
Creditors: Amounts falling due within one year	9	<u>(31,614)</u>	<u>(112,138)</u>
Net liabilities		<u>-</u>	<u>(28,519)</u>
Capital and reserves			
Called up share capital	10	40,002	40,002
Profit and loss account	11	<u>(40,002)</u>	<u>(68,521)</u>
Shareholders' deficit	12	<u>-</u>	<u>(28,519)</u>

Approved and authorised for issue by the board on 10 Jun 2014 and signed on its behalf by:


.....
J A Warwick
Director

Patersons Financial Services Limited

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has consistently applied all relevant accounting standards. As explained in the Directors' report, the directors do not consider the company to be a going concern and have therefore prepared the financial statements on a break up basis. There has been no financial impairment of the company's assets as a result of a break up basis of valuation.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Going concern

During last year the directors took the decision to transfer the general insurance business to another group company. As the directors do not intend to write new insurance through the company, and with a significant curtailment of the company's operations, they have not prepared the financial statements on a going concern basis.

The impact on the financial statements last year was that fixed assets were written down to their realisable value.

Turnover

Turnover represents the value of services supplied by the company and commissions earned after deducting discounts and allowances. Credit is taken for commissions when the insurance policy or investment plan has been placed on risk by the product provider.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Trade debtors

Trade debtors are recognised commissions receivable less provisions for any doubtful debts.

Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with an original maturity of three months or less.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Patersons Financial Services Limited

Notes to the financial statements for the year ended 31 March 2014

..... *continued*

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2014	2013
	£	£
Operating leases - plant and machinery	(5)	14,396
Operating leases - other assets	<u>-</u>	<u>7,800</u>

The auditors' remuneration was paid by the ultimate parent company, Security Research Group plc. For the year ended 31 March 2014 the auditors' remuneration relating to the audit of the company amounted to £2,950 (2013: £2,950). Auditors' remuneration for non audit services are amounts in relation to taxation services of £500 (2013: £500) and accounting services amounting to £250 (2013: £250).

3 Exceptional items

	2014	2013
	£	£
Other exceptional	<u>(19,086)</u>	<u>-</u>

The exceptional item above relates to a write off of a loan to PSG Solutions Limited of £1,213 and the writing down of a loan to Security Research Group plc by £17,873.

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2014	2013
	No.	No.
Administration and support	<u>-</u>	<u>1</u>

The aggregate payroll costs were as follows:

	2014	2013
	£	£
Wages and salaries	-	75,293
Social security costs	103	4,650
Staff pensions	<u>-</u>	<u>1,750</u>
	<u>103</u>	<u>81,693</u>

Patersons Financial Services Limited

Notes to the financial statements for the year ended 31 March 2014

..... *continued*

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014	2013
	£	£
Remuneration (including benefits in kind)	-	76,402
Company contributions paid to money purchase schemes	-	1,750
	<u> </u>	<u> </u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2014	2013
	No.	No.
Accruing benefits under money purchase pension scheme	<u> </u>	<u> 1</u>

J P Mervis and J A Warwick are directors of the ultimate parent company and also directors of other subsidiaries. These directors receive remuneration, the amount of which is reported in the accounts of the parent company. The directors do not believe it is practical to apportion this amount between their services as directors of the ultimate parent company and its subsidiary companies.

6 Other interest receivable and similar income

	2014	2013
	£	£
Bank interest receivable	<u> 94</u>	<u> 451</u>

Patersons Financial Services Limited

Notes to the financial statements for the year ended 31 March 2014

..... *continued*

7 Taxation

Tax on profit/(loss) on ordinary activities

	2014	2013
	£	£
Current tax		
UK Corporation tax	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%).

The differences are reconciled below:

	2014	2013
	£	£
Profit/(loss) on ordinary activities before taxation	<u>28,519</u>	<u>(124,727)</u>
Corporation tax at standard rate	6,559	(29,934)
Capital allowances for period in excess of depreciation	-	(308)
Expenses not deductible for tax purposes	(4,389)	85
Group relief (claimed)/surrendered	<u>(2,170)</u>	<u>30,157</u>
Total current tax	<u>-</u>	<u>-</u>

8 Debtors

	2014	2013
	£	£
Trade debtors	-	30,425
Amounts owed by group undertakings	<u>-</u>	<u>5,000</u>
	<u>-</u>	<u>35,425</u>

9 Creditors: amounts falling due within one year

	2014	2013
	£	£
Amounts owed to group undertakings	31,614	10,853
Other creditors	-	11,874
Accruals and deferred income	<u>-</u>	<u>89,411</u>
	<u>31,614</u>	<u>112,138</u>

Patersons Financial Services Limited

Notes to the financial statements for the year ended 31 March 2014

..... *continued*

10 Share capital

Allotted, called up and fully paid shares

	No.	2014 £	No.	2013 £
Ordinary shares of £1 each	<u>40,002</u>	<u>40,002</u>	<u>40,002</u>	<u>40,002</u>

11 Reserves

	Profit and loss account £	Total £
At 1 April 2013	(68,521)	(68,521)
Profit for the year	<u>28,519</u>	<u>28,519</u>
At 31 March 2014	<u>(40,002)</u>	<u>(40,002)</u>

12 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit/(loss) attributable to the members of the company	<u>28,519</u>	<u>(124,727)</u>
Net addition/(reduction) to shareholders' funds	<u>28,519</u>	<u>(124,727)</u>
Shareholders' (deficit)/funds at 1 April	<u>(28,519)</u>	<u>96,208</u>
Shareholders' deficit at 31 March	<u>-</u>	<u>(28,519)</u>

13 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £nil (2013 - £1,750).

14 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

Patersons Financial Services Limited

Notes to the financial statements for the year ended 31 March 2014

..... continued

15 Control

The company is controlled by Security Research Group plc which is incorporated in the United Kingdom. Security Research Group plc has a 100% interest in the equity share capital of the company. A set of the financial statements of Security Research Group plc is available on request from The Secretary, Security Research Group plc, 133 Ebury Street, London, SW1W 9QU.