



# Heartwood

Wealth Group

Company's Registered Number: 5498937

## HEARTWOOD WEALTH GROUP LIMITED

### REPORT AND ACCOUNTS

For the period ended

31 DECEMBER 2013



\*A36QD2ER\*

A10

28/04/2014

#119

COMPANIES HOUSE

Part of the

**Handelsbanken**  
Group

12 Henrietta Street, Covent Garden, London WC2E 8LH Tel 020 7045 1320 Fax 020 7045 1321

77 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS Tel 01892 701801 Fax 01892 701804

[www.heartwoodgroup.co.uk](http://www.heartwoodgroup.co.uk)

Registered Head Office London address above Registered in England Number 5498937

<b>CONTENTS</b>	<b>PAGES</b>
Directors and advisers	2
Directors' report	3
Statement of directors' responsibilities	4
Auditor's report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8-12

## **HEARTWOOD WEALTH GROUP LIMITED**

---

### **DIRECTORS AND ADVISERS**

DIRECTORS	I White (Chairman) S N Lough (Chief Executive) B N Carter S J Dixon K L Fryer T A Davidson
SECRETARY	M J Romans
REGISTERED OFFICE	4 <sup>th</sup> Floor 12 Henrietta Street London WC2E 8LH
BANKERS	NatWest Bank Plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ
AUDITOR	KPMG LLP 4 <sup>th</sup> Floor 15 Canada Square Canary Wharf London E14 5GL
TAX ADVISERS	Smith & Williamson 25 Moorgate London EC2R 6AY
SOLICITORS	Speechly Bircham 6 New Street Square London EC4A 3LX
COMPANY'S REGISTERED NUMBER	5498937

**DIRECTORS' REPORT**

The directors are not required to present a Strategic Report, as the company qualifies for exemption as a small company. However, a Strategic Report for Heartwood Wealth Management, the company's wholly owned subsidiary, is presented in the annual report for that company.

**Activities**

The company is a holding company for a subsidiary Heartwood Wealth Management Limited, which provides wealth and investment management services in the UK, and indirectly for other dormant subsidiaries. On 24<sup>th</sup> May 2013, the company was acquired by Svenska Handelsbanken AB (publ) ("Handelsbanken"). Following this, a review of the Heartwood group legal entity structure was performed with a view to simplification and it is now intended to liquidate the company within the next 12 months, as there is no further need for a holding company structure.

**Results for the period**

The Heartwood Wealth Group loss for the period before and after taxation was £326,000 (2013 profit £113,000).

The Company's accounting reference period has been aligned with that of Handelsbanken to a December year end. As a result the Financial Statements show the results for the eight month period to 31 December 2013 and comparatives for the twelve month period to 30<sup>th</sup> April 2013.

**Directors**

The directors who served during the period and at 31 December 2013 were

D A B Lough (Chairman) (resigned 24 May 2013)  
S N Lough (Chief Executive)  
B N Carter  
S J Dixon  
D J Gamble (Non Executive) (resigned 24 May 2013)  
K L Fryer  
M G Quirke (Non Executive) (resigned 24 May 2013)  
T A Davidson (appointed 24 May 2013)  
I White (Non Executive Chairman) (appointed 24 May 2013)

**Disclosure of information to the auditors**

In the case of each person who was a director at the time this report was approved

- so far as that director was aware there was no relevant audit information of which the company's auditors were unaware of, and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**Approved by the Board of Directors  
and signed on behalf of the board**



**Simon Lough  
Chief Executive**

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

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEARTWOOD WEALTH GROUP LIMITED**

We have audited the financial statements of Heartwood Wealth Group Limited for the period ended 31 December 2013 as set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2013 and of its loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter - non-going concern basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note.

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

In our opinion the information given in the Directors' Report for the period 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.

SAMER HIJAZI

**Samer Hijazi**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

25/03/2014

**PROFIT AND LOSS ACCOUNT for the period ended 31 December 2013**

	Notes	<b>31 Dec 2013</b> <b>£000</b>	<b>30 Apr 2013</b> <b>£000</b>
<b>Turnover</b>			
Dividends from HWM		-	1,172
		<hr/>	<hr/>
<b>Gross profit</b>		-	1,172
Administrative expenses		(328)	(1,061)
		<hr/>	<hr/>
<b>Operating (loss) / profit</b>		(328)	111
Interest receivable and similar income		2	23
Interest payable and similar charges	2	-	(21)
		<hr/>	<hr/>
<b>(Loss) / Profit on ordinary activities before and after taxation</b>		(326)	113
		<hr/>	<hr/>

All of the company's operations are classed as continuing. There were no gains or losses in the period other than those included in the above profit and loss account.

## BALANCE SHEET as at 31 December 2013

	Notes	31 Dec 2013 £000	30 Apr 2013 £000
<b>Fixed assets</b>			
Investment in subsidiary	5	6,797	5,525
		<hr/>	<hr/>
		6,797	5,525
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	6	6	24
Cash at bank		306	71
		<hr/>	<hr/>
		312	95
<b>Creditors:</b> amounts falling due within one year	7	(21)	(1,180)
		<hr/>	<hr/>
<b>Net current liabilities</b>		291	(1,085)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		7,088	4,440
		<hr/>	<hr/>
<b>Creditors</b> amounts falling due after more than one year	8	(106)	-
		<hr/>	<hr/>
<b>Net assets</b>		6,982	4,440
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	9	85	75
Share premium account	10	4,810	2,202
Other reserve	10	969	719
Profit and loss account	10	1,118	1,828
Own shares	10	-	(384)
		<hr/>	<hr/>
<b>Shareholders' funds</b>	10	6,982	4,440
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 25/3/14 and were signed on its behalf by



**K L Fryer**  
Director



**NOTES TO THE ACCOUNTS for the period ended 31 December 2013**

**1. Accounting policies**

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice. A summary of the more important accounting policies adopted are described below.

**Basis of accounting**

The accounts have been prepared under the historical cost convention, but are not on a going concern basis given the intention to liquidate the company within the next twelve months. However no adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements. The Company's accounting reference period has been changed to a December year end. As a result the Financial Statements show the results for the eight month period to 31 December 2013 and comparatives for the twelve month period to 30<sup>th</sup> April 2013.

**Consolidation**

At the end of the period the company was a wholly owned subsidiary of Svenska Handelsbanken AB (publ), another company established under the law of an EEA State and in accordance with section 400 of Companies Act 2006 the company is not required to prepare consolidated (group) accounts.

**Cash flow statement**

No cash flow statement has been prepared, under the provision of FRS1 (revised) "Cash flow statements" on the basis that the company is a wholly owned subsidiary of Svenska Handelsbanken AB (publ), whose consolidated financial statements are publicly available.

**Investments**

Investments are held at cost less any provision for impairments.

## NOTES TO THE ACCOUNTS for the period ended 31 December 2013 (continued)

2. Interest payable and similar charges	31 Dec 2013 £000	30 Apr 2013 £000
Other loans	-	21
3. Fees payable to the auditor for the audit of the annual accounts	31 Dec 2013 £000	30 Apr 2013 £000
- Fees payable to the auditor for the audit of the annual accounts	12	20
- Fees payable to the company's auditor and its associates for other services		
Tax services	-	4
All other services	-	31
4. Taxation	31 Dec 2013 £000	30 Apr 2013 £000
UK Corporation tax at 23% (2013 23.92%)	-	-
<b>Tax Reconciliation</b>		
(Loss) / Profit on ordinary activities before taxation	(326)	113
(Loss) / Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 23.92%)	(75)	27
Tax effects of		
Expenses not deductible for tax purposes	77	114
Income not taxable for tax purposes	-	(280)
Group relief surrendered / (claimed)	(2)	139
Total current tax charge	-	-

## NOTES TO THE ACCOUNTS for the period ended 31 December 2013 (continued)

**5. Investments in subsidiaries**

	<b>Investment in subsidiaries £000</b>
Cost	
At 1 May 2013	5,525
Capital contribution	250
Additions	1,022
	<hr/>
At 31 December 2013	6,797
	<hr/>

The company owns directly or indirectly 100% of the ordinary share capital of the following principal subsidiaries

	<b>Percentage of holding</b>	<b>Shares held</b>	<b>Principal activity</b>	<b>Share capital and reserves £000</b>
Heartwood Wealth Management Limited	100%	1,966,705	Wealth management services	11,413
Heartwood Nominees Limited*	100%	2	Dormant	-
Heartwood Second Nominees Limited*	100%	5	Dormant	-
Private Office Limited*	100%	2	Dormant	-

All companies are incorporated in Great Britain

All shares are £1 shares except those in Heartwood Wealth Management Limited which are 10p shares

\* Held via Heartwood Wealth Management Limited

The company is a wholly-owned subsidiary of Svenska Handelsbanken AB (publ)

**6. Debtors**

	<b>31 Dec 2013 £000</b>	<b>30 Apr 2013 £000</b>
Amounts owed by group undertakings	6	24
	<hr/>	<hr/>

## NOTES TO THE ACCOUNTS for the period ended 31 December 2013 (continued)

7.	Creditors: amounts falling due within one year	31 Dec 2013	30 Apr 2013
		£000	£000
	Trade creditors	5	-
	Amounts owed to group undertaking	-	1,100
	Accruals and deferred income	16	80
		<hr/>	<hr/>
		21	1,180
		<hr/>	<hr/>
8.	Creditors: amounts falling due after more than one year	31 Dec 2013	30 Apr 2013
		£000	£000
	Other	106	-
		<hr/>	<hr/>
9.	Called up share capital	31 Dec 2013	30 Apr 2013
		£000	£000
	<b>Allotted and called up</b>		
	547,388 (April 2013 537,104) A ordinary shares of 10p each	54 7	53 7
	168,497 (April 2013 74,489) B ordinary shares of 10p each	16 8	7 4
	6,075 (April 2013 6,075) B1 ordinary shares of 10p each	0 6	0 6
	130,484 (April 2013 130,484) C ordinary shares of 10p each	13 0	13 0
		<hr/>	<hr/>
		85 1	74 7
		<hr/>	<hr/>

During the period 208 (April 2013 6,768) A shares were reclassified as B shares and allotments were made of 3,750 A shares and 92 B shares. All existing options at 30 April 2013 over A and B shares, totalling 100,750 options, were exercised during the period, with 6,742 options exercised over A shares, and 93,708 options exercised over B shares.

A, B and B1 ordinary shares rank pari passu for dividends, voting rights and the return of capital on liquidation or reduction of capital. C ordinary shares attract a fixed proportion (being less than 100%) of the equivalent rights of an ordinary B share. Return of capital on liquidation or reduction of capital will be pro-rated.

## NOTES TO THE ACCOUNTS for the period ended 31 December 2013 (continued)

**10. Shareholders' funds**

	Share capital £000	Share premium £000	Other reserve £000	Profit and loss account £000	Own shares held in the Heartwood Employee Benefit Trust £000	Total £000
At 1 May 2013	75	2,202	719	1,828	(384)	4,440
Shares issued	10	2,608	-	-	-	2,618
Retained loss for the period	-	-	-	(326)	-	(326)
Share based payments charge	-	-	250	-	-	250
EBT disposals	-	-	-	(384)	384	-
At 31 December 2013	85	4,810	969	1,118	-	6,982

**11. Contingent liabilities**

There are no contingent liabilities at 31 December 2013 (April 2013 £nil)

**12. Ultimate controlling party**

On 24 May 2013, 100% of the issued share capital in the company was sold to Svenska Handelsbanken AB (publ) and from that date the Directors consider Handelsbanken to be the ultimate controlling party