

SPF Private Clients Holdings Limited

(Registered Number: 7574553)

Directors' Report and Financial Statements

For the year to 31 December 2013



SPF Private Clients Holdings Limited

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SPF Private Clients Holdings Limited

Strategic Report – Year ended 31 December 2013

The directors present their strategic report on the company for the year ended 31 December 2013.

Principal activities

The principal activity of the Group is the provision of general insurance, commercial debt broking, mortgage broking and personal financial planning services. SPF Private Clients Limited and Wiltshire & Co Limited are regulated by the Financial Conduct Authority. SPF Private Clients (Channel Islands) Limited is regulated by the Guernsey Financial Services Commission.

Review of business

Profitable trading has continued during 2013 with increased turnover and continued cost controls. The residential mortgage market has improved throughout 2013 and early signs are that it will continue into 2014.

Acquisition

On 31 October 2013 SPF Private Clients Limited acquired 100% of the share capital of Wiltshire & Co Limited, a small General Insurance and Financial Planning Broker.

Future developments

The Directors expect the Group to continue its profitability during 2014 and stay in that position for the foreseeable future with market conditions continuing to improve. Based on the group's cash flow projections, the Directors deem it appropriate to prepare the financial statements on a going concern basis.

Key Performance Indicators

Given the straightforward nature of the business, the Group's Directors are of the opinion that analysis using KPIs other than revenue and operating profit is not necessary for an understanding of the development, performance or position of the business.

Registered Office:
25 Finsbury Circus
London
EC2M 7EE

On Behalf of the Board


Nigel Moore
Director
20 August 2014

SPF Private Clients Holdings Limited

Directors and advisers

Directors

The following comprise the Board of Directors at the date of signing of the financial statements:

Mark Harris
Michael Boles
Alexander King
Nigel Moore
James Rodea
David Yeadon
Clive Rose

Registered Office

25 Finsbury Circus, London, EC2M 7EE

Independent Auditors

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

Solicitors

Taylor Wessing LLP, 5 New Street Square, London, EC4A 3TW

Principal Bankers

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

SPF Private Clients Holdings Limited

Directors' Report

The Directors present their Report and the audited consolidated financial statements for the year ended 31 December 2013. The Company is incorporated and domiciled in the UK and is a private limited company.

Results and dividends

The profit attributable to the owners of the parent is £1,352k (2012 £458k). An interim dividend of £1,368k was received from SPF Private Clients Limited on 30 April 2014. During the year an interim dividend of £412k was received from SPF Private Clients Limited on 17 May 2013 (2012 £534k). No further dividends are expected to be proposed or paid during 2014.

Directors

The current Directors of the Company are shown on page 2. There have been no changes during the year.

Principal risks and uncertainties

The Directors of SPF Private Clients Holdings Limited directly manage the risks of the Group. The Board has implemented an appropriate framework to ensure that it has sufficient visibility of the Group's key risks and the opportunity regularly to review the adequacy and effectiveness of the controls and strategies for managing and mitigating these risks (see note 3).

Employees

The Directors recognise that the quality, commitment and motivation of the Group's staff are a key element in the success of the Group. Employees are able to share in this success through bonus schemes. The Group encourages its employees to develop their skills through training and continued professional development.

It is the policy of the Group to provide employment on an equal basis irrespective of gender, race, age, marital status, sexual orientation, religion or religious belief, nationality, colour or disability.

Insurance cover

The Group purchases insurance to cover its Directors and Officers against their costs in defending themselves in civil legal proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings. The insurance does not provide cover where the Director has acted fraudulently or dishonestly.

As permitted by company law, qualifying third party indemnity provisions (as defined by Section 234 of the Companies Act 2006) are in force for the benefit of the Directors (and for former Directors who held office during the 2013 financial year).

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to accept reappointment. PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with Section 487 of Companies Act 2006.

SPF Private Clients Holdings Limited

Directors' Report (continued)

Statement of disclosure of information to auditors

Each person who is a Director at the date of approval of this report confirms that:


(a) so far as the Director is aware, there is no relevant audit information of which the Group'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 Group's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to medium-sized companies within Part 15 of the Companies Act 2006.

Registered Office:
25 Finsbury Circus
London
EC2M 7EE

On behalf of the Board


Nigel Moore
Director
20 August 2014

SPF Private Clients Holdings Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 group and parent company financial statements in accordance with *International Financial Reporting Standards (IFRSs)* as adopted by the European Union. 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors:

Each person who is a director at the date of approval of this report confirms 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.

Independent auditors' report to the members of SPF Private Clients Holdings Limited

Report on the financial statements

Our opinion

In our opinion:

- the financial statements, defined below, give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit and the group's and the parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent company financial statements (the "financial statements"), which are prepared by SPF Private Clients Holdings Limited, comprise:

- the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income for the year ended 31 December 2013;
- the Consolidated and Company Statements of Financial Position as at 31 December 2013;
- the Consolidated and Company Statements of Changes in Equity for the year then ended;
- the Consolidated and Company Statements of Cash Flows 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 their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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 group's and the parent 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 (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

SPF Private Clients Holdings Limited

Independent auditors' report to the members of SPF Private Clients Holdings Limited (continued)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 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.



Mark Jordan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 August 2014

SPF Private Clients Holdings Limited

Consolidated Income Statement Year to 31 December 2013

		Year to 31 December 2013 £'000 Total	Year to 31 December 2012 £'000 Total
	Notes		
Revenue		11,518	9,227
Less:			
Employee benefits expense	5	(7,592)	(6,870)
Depreciation expense	11	(16)	(9)
Amortisation and impairment of intangibles	10	(29)	-
Other operating expenses		(1,682)	(1,666)
		<u>(9,319)</u>	<u>(8,545)</u>
Operating profit		2,199	682
Finance income	7	21	25
		<u>21</u>	<u>25</u>
Profit before income tax		<u>2,220</u>	<u>707</u>
Income tax expense	8	(532)	(135)
Profit after income tax		<u>1,688</u>	<u>572</u>
Profit attributable to:			
- Owners of the parent		1,352	458
- Non-controlling interests		336	114
		<u>1,688</u>	<u>572</u>

All revenues and profits are from continuing operations for the year presented.

The company has elected to take exemption under section 408 of the Companies Act 2006 not to present the parent company profit and loss account.

The profit for the parent company for the year was £411,887 (2012 : £528,003).

The Notes on pages 13 to 34 form an integral part of the financial statements.

SPF Private Clients Holdings Limited

Consolidated Statement of Comprehensive Income Year to 31 December 2013

	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
Profit for the year	1,688	572
Total comprehensive income for the year attributable to equity owners	1,688	572
Attributable to:		
- Owners of the parent	1,352	458
- Non-controlling interests	336	114
	1,688	572

There is no other comprehensive income for the year (2012: none).

The Notes on pages 13 to 34 form an integral part of the financial statements.

SPF Private Clients Holdings Limited

Consolidated and Company Statements of Financial Position at 31 December 2013

		Group 31 December 2013 £'000	Company 31 December 2013 £'000	Group 31 December 2012 £'000	Company 31 December 2012 £'000
ASSETS					
Non-current assets					
Plant, property & equipment	11	24	-	32	-
Intangible assets	10	3,387	-	2,534	-
Investment in subsidiary	12	-	2,930	-	2,930
Deferred income tax asset	13	-	-	45	-
		3,411	2,930	2,611	2,930
Current assets					
Trade and other receivables	14	1,840	-	1,560	-
Cash and cash equivalents	15	4,175	3	2,968	3
		6,015	3	4,528	3
LIABILITIES					
Current liabilities					
Trade and other payables	16	3,861	274	3,521	274
Current income tax liabilities		342	-	172	-
Deferred income tax liability	13	159	-	-	-
Provisions for other liabilities and charges	17	1,543	1,531	1,974	1,943
		5,905	1,805	5,667	2,217
Net current liabilities		(110)	1,802	1,139	2,214
Total assets less current liabilities		3,521	1,128	1,472	716
Non-current liabilities					
Provisions for other liabilities and charges	17	464	464	-	-
Net assets		3,057	1,128	1,472	716
EQUITY					
Equity attributable to owners of the parent					
Share capital	18	192	192	192	192
Retained earnings		2,404	936	1,052	524
		2,596	1,128	1,244	716
Non-controlling interests		461	-	228	-
Total equity		3,057	1,128	1,472	716

The financial statements on pages 8 to 34 were approved by the board of directors on 20 August 2014 and signed on its behalf by

Nigel Moore



Director

Company Registered Number: 7574553

The Notes on pages 13 to 34 form an integral part of the financial statements.

SPF Private Clients Holdings Limited

Consolidated Statement of Changes in Equity Year to 31 December 2013

	Attributable to owners of the company				Total Equity £'000
	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Non-Controlling Interest £'000	
Balance at 01 January 2013	1	191	1,052	228	1,472
Profit for the year	-	-	1,352	336	1,688
Total comprehensive profit for the year	-	-	1,352	336	1,688
Transactions with owners:					
Proceeds of ordinary share issue	-	-	-	-	-
Dividend paid	-	-	-	(103)	(103)
Non-controlling interest arising on acquisition of SPF Private Clients Limited	-	-	-	-	-
Balance at 31 December 2013	1	191	2,404	461	3,057

Consolidated Statement of Changes in Equity Year to 31 December 2012

	Attributable to owners of the company				Total Equity £'000
	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Non-Controlling Interest £'000	
Balance at 01 January 2012	1	185	594	247	1,027
Profit for the year	-	-	458	114	572
Total comprehensive profit for the year	-	-	458	114	572
Transactions with owners:					
Proceeds of ordinary share issue	-	6	-	-	6
Dividend paid	-	-	-	(133)	(133)
Non-controlling interest arising on acquisition of SPF Private Clients Limited	-	-	-	-	-
Balance at 31 December 2012	1	191	1,052	228	1,472

The Notes on pages 13 to 34 form an integral part of the financial statements.

SPF Private Clients Holdings Limited

Consolidated and Company Statements of Cash Flows Year ended 31 December 2013

		Group 31 December 2013 £'000	Company 31 December 2013 £'000	Group 31 December 2012 £'000	Company 31 December 2012 £'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	19	2,245	412	631	751
Income tax paid		(351)	-	(264)	-
Interest received		21	-	25	-
Net cash generated from operating activities		1,915	412	392	751
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of subsidiary undertakings	21	(264)	-	-	-
Purchase of fixed assets	11	(7)	-	(34)	-
Net cash acquired with subsidiary undertakings	21	78	-	-	-
Dividends paid	9	(103)	-	(133)	-
Deferred consideration paid on prior year acquisition	17	(412)	(412)	(754)	(754)
Net cash used in investing activities		(708)	(412)	(921)	(754)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of ordinary share capital		-	-	6	6
Net cash generated from financing activities		-	-	6	6
Net increase / (decrease) in cash and cash equivalents		1,207	-	(523)	3
Cash and cash equivalents at beginning of year		2,968	3	3,491	-
Cash and cash equivalents at end of year		4,175	3	2,968	3

The Notes on pages 13 to 34 form an integral part of the financial statements.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013

1 General information

The Company is a private limited company incorporated and domiciled in the UK. The address of the registered office is 25 Finsbury Circus, London, EC2M 7EE.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

b) Standards, amendments and interpretations to standards effective in 2013

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2013 that would be expected to have a material impact on the Group.

Standards, amendments and interpretations to standards that are not yet effective and have not been early adopted by the Group.

The following standards and amendments to published standards have been adopted by the Group for the first time for the financial year beginning 1 January 2013 and do not have a material impact on the Group:

- IAS 1 (amendment), 'Financial statement presentation', regarding other comprehensive income. These amendments require entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The adoption of this amendment does not impact the Group's profit or net assets.
- IAS 19 (amendment), 'Employee benefits', amends the accounting for employee benefits. The adoption of this amendment does not impact the Group's profit or net assets.
- IFRS 13, 'Fair value measurement', the standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied. The adoption of this amendment does not impact the Group's profit or net assets.
- IAS 1 (amendment), 'Financial statement presentation', distinguishes between minimum required comparative information and voluntary additional comparative information. The adoption of this amendment does not impact the Group's profit or net assets.

Other standards, amendments and interpretations mandatorily effective for the first time for the financial year beginning 1 January 2013 and not discussed above are not relevant to the Group.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

2 Accounting policies (continued)

The following standards and amendments to published standards are mandatory for accounting periods beginning on or after 1 January 2014, and have not been early adopted:

- IFRS 10, 'Consolidated financial statements' including amendments, effective for accounting periods beginning on or after 1 January 2014. The standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It defines the principle of control and establishes this as the basis for consolidation. The standard is not expected to have a material impact on the Group.
- IFRS 11, 'Joint arrangements', including amendments, effective for accounting periods beginning on or after 1 January 2014. The standard defines two types of joint arrangements: joint operations and joint ventures, based on the rights and obligations of the parties to the arrangement. Proportional consolidation of joint ventures will no longer be allowed and must be accounted for using the equity method. The standard is not expected to have a material impact on the Group.
- IFRS 12, 'Disclosures of interests in other entities', including amendments, effective for accounting periods beginning on or after 1 January 2014. The standard sets out the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IAS 27 (amendment), 'Separate financial statements', includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. The amendment is effective for accounting periods beginning on or after 1 January 2014 and is not expected to have a material impact on the Group.
- IAS 28 (amendment), 'Investments in associates and joint ventures', includes requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. The amendment is effective for accounting periods beginning on or after 1 January 2014 and is not expected to have a material impact on the Group.
- IAS 36 (amendment), 'Impairment of assets', regarding recoverable amount disclosures, effective for accounting periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

Other standards, amendments and interpretations not yet effective and not discussed above are not relevant to the Group or have not yet been endorsed by the EU.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

2 Accounting policies (continued)

c) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

2 Accounting policies (continued)

c) Consolidation (continued)

ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure directly attributable to acquisition.

e) Depreciation

Provision for depreciation is made at rates calculated on a straight-line basis to write off the assets over their estimated useful lives as follows:

	Years
Owned equipment and motor vehicles	3 – 6

f) Goodwill

Goodwill arising on acquisition (customer contracts) is capitalised and subject to annual impairment reviews. Goodwill represents the excess of the cost of acquisition of a subsidiary or associate over the Group's share of the fair value of identifiable net assets acquired. Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing and is made to those cash generating units that are expected to benefit from the business combination in which the goodwill arose.

g) Intangible assets other than goodwill

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Other intangible assets were acquired as part of a business acquisition and relate to renewal of customer contracts. These are valued at fair value on acquisition and amortised over the estimated useful life.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

2 Accounting policies (continued)

g) Intangible assets other than goodwill (continued)

These assets are shown at cost less accumulated amortisation. Amortisation charges are recorded on a straight line basis over the assets estimated useful lives as follows:

	Years
Other intangibles	4
Customer contracts	5
Computer software	3

h) Investments

The Company's investments in subsidiaries are held at cost, less any provision for impairment. Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed.

i) Trade receivables

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

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquencies in payments (more than either 60 or 90 days depending on the type of debtor) are considered indicators that the trade receivable 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.

j) Cash and cash equivalents

Cash and cash equivalents include 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.

k) Trade payables

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

l) 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, respectively.

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's subsidiaries and associates operate 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.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

2 Accounting policies (continued)

l) Taxation (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 consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using 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 income tax liability is settled.

Deferred income tax assets are recognised 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 is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

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 taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m) Dividends

Dividends are recognised as distributions in the period in which they are approved.

n) Provisions

Provision is made in respect of commissions received by the Group on insurance policies and financial planning policies, a proportion of which may be repayable if the policies on which they were paid are cancelled within the indemnity period.

Provision is made in respect of deferred consideration relating to the acquisition of the subsidiary undertakings on 03 May 2011.

Provisions are measured at the managements best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

o) Revenue recognition

Insurance commission revenue is recognised when the insurance policy sold is in effect and the amount of commission earned is determinable. Indemnity commission is recognised when the policy sold is in effect. Mortgage commission is recognised on completion. Accrued income arises within the Commercial Insurance business when policies have gone on risk but have not been settled with insurers. Deferred income arises within the Financial Planning business where income has been invoiced and settled but relates to future accounting periods.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

2 Accounting policies (continued)

p) **Finance income**

Interest income is recognised on a time-proportion basis using the effective interest method.

q) **Dividend income**

Dividend income is recognised when the right to receive payment is established.

r) **Accounting for leases**

The annual payments under all other lease agreements, known as operating leases, are charged to the income statement on a straight line basis over the lease term as incurred. Benefits received and receivable as an incentive to enter into the operating lease are also spread on a straight line basis over the lease term.

s) **Pension costs**

The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods.

The Group also operates a Salary Sacrifice Scheme, whereby individuals waive a proportion of salary into a pension plan. Employee contributions are capped dependent on age and earnings. The Group contributes an amount equal to 39% of the saving made on employers National Insurance contributions.

3 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects of these risks on the financial performance of the Group.

Interest rate risk

The Group's interest rate risk arises from having interest bearing assets. The Group finances its operations through a mixture of its retained profits and cash reserves. Surplus cash reserves are placed on short-term fixed rate deposits.

Credit risk

The Group 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 receivables and committed transactions. The Group does not have a set policy for performing credit checks on potential clients mainly due to the fact that it is an intermediary for lenders and insurance companies who do their own credit checks. The credit risk to the Group is low as receivables in the main are derived from lenders and banks. There were no significant individual trade receivable balances at 31 December 2013. All cash is held with Barclays Bank plc (A+ stable rated bank by S & P) and Santander Bank UK plc (A stable rated bank by S & P).

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

3 Financial risk management (continued)

Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient head-room. Such forecasting takes into consideration the Group's compliance with internal balance sheet ratio targets and external regulatory requirements. Surplus cash held by the operating entities over and above balance required for working capital management are invested in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. At 31 December 2013 the Group held liquid assets of £4,104K (2012 £2,968k) that are expected to readily generate cash inflows for managing liquidity risk.

Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital; and
- to ensure capital requirements set by the FSA / GFSC are complied with (the Group was compliant with all requirements during the year ended 31 December 2013).

4 Operating profit

Operating profit is stated after charging:

	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
Operating lease rentals:		
Property	39	105

Fees payable to the Company's auditors, PricewaterhouseCoopers LLP:

Group	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
Fees payable to company's auditors for the audit of parent company and consolidated financial statements	-	-

Fees payable to the company's auditors and its associates for other services:

- The audit of company's subsidiaries pursuant to legislation	38	22
- Tax Services	9	17

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

5 Staff and directors

a) Analysis of staff costs

	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
Wages and salaries	3,869	4,287
Incentive bonuses & commissions	2,696	1,877
Social security costs	827	640
Other pension costs	148	38
Redundancy costs	52	28
	7,592	6,870

b) Staff numbers

The average monthly number of Group employees during the year was 89 (2012: 95).

The Company did not have any employees during the year.

	Year to 31 December 2013	Year to 31 December 2012
Sales	71	61
Admin	18	34
Total average headcount	89	95

c) Key management compensation

	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
Key management		
- Aggregate remuneration excluding bonuses	797	759
- Bonuses	1,011	1,014
- Pensions contributions	148	38
- National Insurance	294	231
Total short term employment benefits	2,250	2,042

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

5 Staff and directors (continued)

C) Key management compensation

	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
Highest paid director		
- Aggregate remuneration excluding bonuses	81	77
- Bonuses	422	347
- National Insurance	116	58
Total short term employment benefits	619	482

6 Retirement benefit obligations

Defined contribution plans

The Group operates a defined contribution plan but during the year no contributions were made.

7 Finance income

	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
Bank interest receivable	21	25
	21	25

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

8 Income tax expense

Group:

Analysis of tax expense for the year:

	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
Current tax		
United Kingdom Corporation tax at 23.25% (2012 : 24.5%)	516	172
Adjustment in respect of previous years	5	(44)
Total current tax charge	<u>521</u>	<u>128</u>
Deferred tax		
Representing: United Kingdom		
Adjustment in respect of previous years	17	7
Intangible assets	(6)	-
Total deferred tax charge (note 13)	<u>11</u>	<u>7</u>
Income tax on profit from continuing activities	<u>532</u>	<u>135</u>

The tax for the year is higher than the standard rate of corporation tax in the UK 24.0% and 23.0% from 01 April 2013. The differences are explained below:

Profit on continuing activities before tax	<u>2,220</u>	<u>707</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 : 24.5%)	516	170
Effects of:		
Expenses not deductible for tax purposes	-	18
Intangible assets	(6)	-
Adjustment in respect of previous years	22	(37)
Income not subject to tax	-	(16)
Income tax expense on profit on continuing activities	<u>532</u>	<u>135</u>

During the year, as a result of the changes in the UK corporation tax rate to 23% which was substantively enacted on 3 July 2012 and will be effective from 1 April 2013, the relevant deferred tax balances have been re-measured.

The Budget announced by the Chancellor of the Exchequer on 20 March 2013 included changes to the main rates of tax for UK companies. The main changes in corporation tax rates that will have accounting implications for deferred tax are as follows:

- The main rate of corporation tax will reduce to 21% from 1 April 2014.
- The main rate will further reduce to 20% (and will become unified with the small companies rate) from 1 April 2015.

Neither of these reductions had been substantively enacted as at the balance sheet date and, therefore, is not included in these financial statements.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

9 Dividends

Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
--	--

Amounts recognised as distribution to owners in the year:

Interim dividend paid 206p per share (31 December 2012 : 267p per share)

103	133
103	133

10 Intangible assets

	Goodwill £'000	Other Intangibles £'000	Computer Software £'000	Total £'000
Cost				
At 01 January 2013	2,974	128	274	3,376
Additions	-	882	-	882
Written off in year	-	-	(71)	(71)
At 31 December 2013	2,974	1,010	203	4,187
Amortisation and impairment				
At 01 January 2013	440	128	274	842
Written off in year	-	-	(71)	(71)
Charge for the year	-	29	-	29
At 31 December 2013	440	157	203	800
Net Book Value				
At 31 December 2013	2,534	853	-	3,387
Net Book Value				
At 31 December 2012	2,534	-	-	2,534

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

10 Intangible assets (continued)

	Goodwill	Other Intangibles	Computer Software	Total
	£'000	£'000	£'000	£'000
Cost				
At 01 January 2012	2,974	128	274	3,376
Additions	-	-	-	-
At 31 December 2012	2,974	128	274	3,376
Amortisation and impairment				
At 01 January 2012	440	128	274	842
Charge for the year	-	-	-	-
At 31 December 2012	440	128	274	842
Net Book Value				
At 31 December 2012	2,534	-	-	2,534
Net Book Value				
At 31 December 2011	2,534	-	-	2,534

Impairment tests for goodwill

Management reviews the business performance based on type of business. Goodwill is monitored by the management and the recoverable amount has been based on value-in-use calculations using pre-tax cash flow projections based on financial budgets covering a five year period and weighted average capital cost of 11.3%. Based on these calculations no impairment charge is required.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

11 Property, plant & equipment

	Owned equipment & motor vehicles £'000
Cost	
At 01 January 2013	836
Additions	8
At 31 December 2013	844
Accumulated depreciation	
At 01 January 2013	804
Charge for the year	16
At 31 December 2013	820
Net book value	
At 31 December 2013	24
Net book value	
At 31 December 2012	32
	Owned equipment & motor vehicles £'000
Cost	
At 01 January 2012	802
Additions	34
At 31 December 2012	836
Accumulated depreciation	
At 01 January 2012	795
Charge for the year	9
At 31 December 2012	804
Net book value	
At 31 December 2012	32
Net book value	
At 31 December 2011	7

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

12(a) Investment in subsidiary

Company	Shares in Subsidiary Undertakings £'000
Cost and net book value	
At 01 January 2013	2,930
At 31 December 2013	2,930

Investment in subsidiary undertakings are recorded at cost less any provision for impairment, which is the fair value of the consideration paid.

The Directors are comfortable that the value of the investment is supported by its underlying value.

The subsidiaries of the Group are shown below together with details of their main activities. Except where otherwise noted, they are wholly-owned, have share capital wholly comprised of ordinary shares, are registered in England and Wales, operate in the UK and are consolidated into the Group financial statements. Holding interests are the same as voting interests.

For these acquisitions, there was no difference between the fair value and carrying value of net assets acquired, except for intangible assets. The acquisitions are accounted for using the acquisitions method. The Group acquires businesses intended for use on a continuing basis.

Subsidiary undertakings	Group Holding	Main activities
SPF Private Clients Limited	80.01%	Provision of general insurance, mortgage broking and personal financial planning services (regulated by FCA)
SPF Private Clients (Channel Islands) Limited (registered in Guernsey)	80.01%	Provision of general insurance, mortgage broking and personal financial planning services (regulated by GFSC)
Wiltshire & Co Limited	80.01%	Provision of general insurance and personal financial planning services (regulated by FCA)

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

13 Deferred income tax liability

Group

	Intangible Asset £'000	Depreciation in excess of capital allowances £'000	Total £'000
At 01 January 2013 - asset	-	45	45
Client contracts purchased	(193)	-	(193)
Amount charged to income statement	6	(17)	(11)
As at 31 December 2013 - (liability) / asset	(187)	28	(159)

	Intangible Asset £'000	Depreciation in excess of capital allowances £'000	Total £'000
At 01 January 2012 - asset	-	52	52
Amount charged to income statement	-	(7)	(7)
As at 31 December 2012 - asset	-	45	45

Deferred income tax assets and liabilities have been recognised in respect of temporary differences to the extent that the related tax benefit through the future taxable profits is probable.

Deferred income tax assets and liabilities are only offset where there are legally enforceable rights to offset current tax assets against current tax liabilities and when the deferred income relates to the same fiscal authority.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

14 Trade and other receivables

	Group 31 December 2013 £'000	Group 31 December 2012 £'000
Trade receivables	1,227	1,052
Less: provision for impairment of receivables	(162)	(162)
Net Trade receivables	1,065	890
Other current receivables	102	108
Prepayments & accrued income	673	562
	1,840	1,560

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

There is no concentration of credit risk with respect to trade and other receivables as the Group has a large number of homogeneous clients with no individual client having a significant amount owing.

As at 31 December 2013, trade receivables of £162k (2012 £162k) were impaired and provided for accordingly.

The ageing analysis of these receivables is as follows:

	Group 31 December 2013 £'000	Group 31 December 2012 £'000
Up to 3 months	2	30
3 to 6 months	3	26
Over 6 months	157	106
	162	162

As at 31 December 2013, trade receivables of £nil (2012 £nil) were past due but not impaired. These relate to trade receivables which are past due at the reporting date but are not considered impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable.

The ageing analysis of these receivables is as follows:

	Group 31 December 2013 £'000	Group 31 December 2012 £'000
Up to 3 months	-	-
3 to 6 months	-	-
Over 6 months	-	-
	-	-

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

15 Cash and cash equivalents

	Group 31 December 2013 £'000	Company 31 December 2013 £'000	Group 31 December 2012 £'000	Company 31 December 2012 £'000
Cash and cash equivalents	269	3	452	3
Short-term bank deposits	3,906	-	2,466	0
Institutional Cash Funds	-	-	50	0
	4,175	3	2,968	3

The cash and cash equivalents are held on overnight or term deposit accounts with Barclays Bank plc and Santander Bank UK plc. The effective interest rates on these arrangements are 0.6% and 1.4% respectively. All cash and cash equivalents are denominated in sterling or euro. All cash is held with Barclays Bank plc (A+ rated bank by S & P) and Santander Bank UK plc (AA- rated bank by S & P).

16 Trade and other payables

	Group 31 December 2013 £'000	Company 31 December 2013 £'000	Group 31 December 2012 £'000	Company 31 December 2012 £'000
Trade payables	273	-	445	-
Amounts owed to parent & fellow Group undertakings	-	274	-	274
Other taxation & social security	130	-	124	-
Other payables	302	-	452	-
Accruals & deferred income	3,156	-	2,500	-
	3,861	274	3,521	274

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

17 Provisions for other liabilities and charges

	Commission	Deferred Consideration	Total
	£'000	£'000	£'000
At 01 January 2013	31	1,943	1,974
Provided during the year	(9)	464	455
Utilised during the year	(10)	(412)	(422)
At 31 December 2013	12	1,995	2,007

The above provisions are split between current and non-current as follows:

Current	12	1,531	1,543
Non-current	-	464	464
	12	1,995	2,007

	Commission	Deferred Consideration	Total
	£'000	£'000	£'000
At 01 January 2012	145	2,697	2,842
Provided during the year	(8)	-	(8)
Utilised during the year	(106)	(754)	(860)
At 31 December 2012	31	1,943	1,974

The above provisions are split between current and non-current as follows:

Current	31	-	31
Non-current	-	1,943	1,943
	31	1,943	1,974

On 30 April 2014 the deferred consideration current balance of £1531k was paid in full.

18 Share capital

Group and company

	Number of shares	Ordinary Shares £'000	Share Premium £'000	Total £'000
Ordinary shares of 1p each:				
Authorised	100,000	1		
Allotted, called up & fully paid				
As at 01 January 2013	107,529	1	191	192
Issued during the year	-	-	-	-
As at 31 December 2013	107,529	1	191	192

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

19 Cash generated from operations

	Group 31 December 2013 £'000	Company 31 December 2013 £'000	Group 31 December 2012 £'000	Company 31 December 2012 £'000
Profit before taxation	2,220	412	708	528
<i>Adjustments for:</i>				
Net finance income (note 7)	(21)	-	(25)	-
Depreciation expense (note 11)	16	-	9	-
Amortisation of intangibles (note 10)	29	-	-	-
Increase / (decrease) in provisions	(19)	-	(114)	-
Operating cash flows before movements in working capital	2,225	412	578	528
(Increase) / decrease in receivables	(145)	-	192	-
Increase / (decrease) in payables	165	-	(139)	223
Cash generated from operations	2,245	412	631	751

20 Operating lease commitments – minimum lease payments

	31 December 2013 £'000	31 December 2012 £'000
Future aggregate minimum lease payments:		
Within one year	39	67
In one to five years	-	48
	39	115

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

21 Business combinations

On 31 October 2013, the group acquired 100% of the share capital of Wiltshire & Co. Limited for a maximum cash consideration of £728k. Wiltshire & Co. Limited are Insurance Brokers and provide Independent Financial Advice operating in similar markets to SPF Private Clients Limited.

As a result of the acquisition, the group is expected to increase its presence in these markets. It is also expected to reduce costs through economies of scale. The intangible asset of £882k will be amortised over a five year period.

The following table summarises the consideration paid for Wiltshire & Co. Limited, the fair value of the asset acquired, liabilities assumed.

Consideration at 1 November 2013	£'000
Cash	264
Contingent consideration	486
Total consideration	<u>750</u>

The contingent consideration arrangement requires the group to pay, in cash, to the former owners of Wiltshire & Co. Limited, a maximum of £486k over three annual payments as long as renewal income receipts stay in line with those achieved in the year to 30 September 2013. Reduced levels of renewal income will result in reduced consideration being paid up to a maximum reduction of the full contingent amount of £486k.

Recognised amounts of identifiable assets acquired and liabilities assumed	£'000
Cash and cash equivalents	78
Plant and equipment	1
Trade and other receivables	135
Trade and other payables	(175)
Total identifiable net assets	<u>39</u>
Customer contracts	882
Total	<u>921</u>

The revenue included in the consolidated statement of comprehensive income since 01 November 2013 contributed by Wiltshire & Co. Limited was £39k and a cash outflow of £13k. Had Wiltshire & Co. Limited been consolidated from 01 January 2013, the consolidated income statement would have included Revenue of £434k and profit after tax of £1k.

SPF Private Clients Holdings Limited

Notes to the Consolidated Financial Statements – Year to 31 December 2013 (continued)

22 Related party transactions

During the year to 31 December 2013 various transactions occurred between the group and Savills plc and its subsidiaries. These included recharges of shared costs and introduction fees for referrals. Fee income was generated for financial planning advice to the subsidiaries. Savills Finance Holdings financed the management buy out in 2011 and the monies owed relate to deferred consideration. All transactions were undertaken on an arm's length basis.

The net expense incurred by the group for the year in respect of the above are:

	Sales Year to 31 December 2013 £'000	Costs Year to 31 December 2013 £'000	Current Amounts due / (Owed) as at 31 December 2013 £'000
Related parties			
Savills plc	(381)	22	-
Savills UK	(4)	1,014	(161)
Savills L&P	-	187	-
Savills Finance Holdings	-	-	(1,531)
	(385)	1,223	(1,692)

The non current loans are interest free.

	Sales Year to 31 December 2012 £'000	Costs Year to 31 December 2012 £'000	Current Amounts due / (Owed) as at 31 December 2012 £'000
Related parties			
Savills plc	(257)	43	(2)
Savills L&P	(108)	378	(44)
Savills Commercial	(100)	580	(322)
Savills Finance Holdings	-	-	(1,943)
	(465)	1,001	(2,311)

The non current loans are interest free.

23 Parent undertaking

SPF Private Clients Holdings Limited entity is the ultimate parent company of the Group. The consolidated financial statements of SPF Private Clients Holdings Limited are available from 25 Finsbury Circus, London, EC2M 7EE. SPF Private Clients Holdings Limited has a number of shareholders controlling the parent company and hence not one ultimate controlling party.