

STERLING McCALL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

Registered Number 08933657



STERLING McCALL LIMITED

COMPANY INFORMATION

DIRECTORS

D M Legg
S C Moseley
B C Galvin
B Raven

REGISTERED NUMBER

8933657 (England and Wales)

REGISTERED OFFICE

1 The Cornerstone
Market Place
Kegworth
DE74 2EE

INDEPENDENT AUDITORS

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

STERLING McCALL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

CONTENTS	Page
Strategic Report	1
Directors' report	2
Independent auditors' report	3
Statement of comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Notes to the financial statements	7-14

STERLING McCALL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

Business activity and market conditions

The Company's primary activity during the year under review was the provision of support services to its network of independent financial advisors (IFAs). The Company is regulated by the Financial Conduct Authority (FCA).

Business Review

The Company has traded profitably during the year under review which is in line with Directors' expectations.

Principal risks and uncertainties

The Company provides support services to its network of independent financial advisors (IFAs), and in so doing, is responsible for the compliance of product sales and advice to the end customer. These activities are subject to regulation by the FCA. The risks manifest themselves through compensation payable and breaches imposed by the FCA for regulatory breaches. The Company operates under a strict regulatory regime and to mitigate the risk has arranged professional indemnity insurance. The company is subject to clawbacks when indemnity products become repayable, these are recharged to advisors wherever possible. The company monitors this activity and financial stability of the advisors to service the clawback.

Risk Management

Financial risk management

Principal financial risks to the business are reviewed and monitored day to day by the directors. The internal controls used are designed to manage and mitigate risk wherever it is reasonable. The following financial risks have been identified:

Credit risk

The company's credit risk is primarily attributable to its trade receivables. The company has implemented policies that require appropriate credit checks on potential customers before services are made. The amount of exposure to any individual counterparty is subject to review at a senior level.

Interest rate risk

The company has interest bearing assets, comprising only cash and cash equivalents which earn interest at a variable rate.

Liquidity risk

The company monitors its levels of working capital to ensure that it can meet its debts as they fall due.

Capital risk management

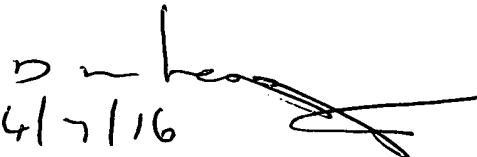
The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The company defines capital as being share capital plus reserves. It is required to meet the capital regulatory requirements of the FCA at all times.

Financial key performance indicators

The key performance indicators reviewed by the Directors are the number of IFAs, the levels of new business, recurring income, gross margins, the level of clients' assets under advice and the number of Customer complaints received.

Director
Date:


4/7/16

STERLING MCCALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016.

RESULTS AND DIVIDENDS

The company's loss for the year after taxation was £590 (2015: profit of £681). The directors do not recommend the payment of a dividend (2015: £Nil).

DIRECTORS

D M Legg and S C Moseley have held office during the whole of the year.

Other Directors holding office are as follows:

B C Galvin – appointed 6 August 2015

B Raven – appointed 6 August 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

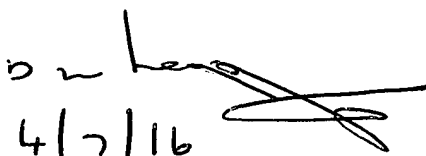
- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

This report was approved by the Board and signed on its behalf.

D M Legg
Director
Date:


4/7/16

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
OF STERLING McCALL LIMITED**

We have audited the financial statements of Sterling McCall Limited for the year ended 31 March 2016 set out on pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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.

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 March 2016 and of its loss 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.

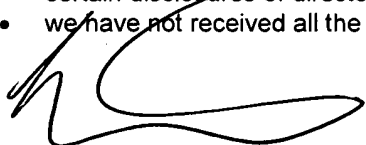
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Simon Wilks (Senior statutory auditor)
for and on behalf of

haysmacintyre
Statutory Auditors
26 Red Lion Square
London
WC1R 4AG

Date:

4 July 2016

STERLING McCALL LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2016**

		2016	Period
	Notes	£	11.4.14
			To
			31.3.15
			2015
			£
TURNOVER	3	2,722,286	2,511,064
Cost of sales		(2,717,811)	(2,484,443)
GROSS PROFIT		4,475	26,621
Administrative expenses		(5,065)	(26,121)
OPERATING (LOSS) / PROFIT		(590)	500
Interest receivable and similar income	8	-	181
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(590)	681
Taxation on (loss) / profit on ordinary activities	9	-	-
(LOSS) / PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(590)	681

The notes on pages 7 to 14 form part of these financial statements

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2016

The financial statements were approved and authorised for issue by the Board of Directors and signed below on its behalf by:

D M Legg
Director
Date: 4/7/16

5

STERLING McCALL LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	252	681	933
Loss for the year	-	(590)	(590)
At 31 March 2016	<u>252</u>	<u>91</u>	<u>343</u>
At 1 April 2014	252	-	252
Profit for the period	-	681	681
At 31 March 2015	<u>252</u>	<u>681</u>	<u>933</u>

STERLING McCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 16.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a provision of services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due for the service;
- the risk and renewal associated with the service has been passed to the customer.

c) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

d) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

STERLING McCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

e) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

f) Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

g) Interest income

Interest income is recognised in the Income Statement using the effective interest method.

h) Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

STERLING McCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year end date and the reported amounts of revenues and expenses during the reporting period.

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

Critical accounting judgements

The directors do not believe the company has any critical accounting judgements in producing these financial statements.

Key sources of estimation uncertainty

The directors consider the following to be key sources of estimation uncertainty:

- Measurement of the recoverable amount of trade receivables

A provision for impairment of trade receivables is established when there is no objective evidence that the company will be able to collect all amounts due according to the original terms. The company considers factors such as default or delinquency in payment, significant financial difficulties of the debtor and the probability that the debtor will enter bankruptcy in deciding whether the trade receivable is impaired.

- Measurement of complaints and clawback provisions

Where complaints have been received the Directors make an estimate on a case by case basis in determining the level of provision required. The Directors consider the recoverability of redress from the Adviser and apply an overall estimate based on past experience.

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

STERLING McCALL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2016****3. ANALYSIS OF TURNOVER****2016
£****2015
£**

An analysis of turnover by class of business is as follows:

Commission and Fees

2,722,286

2,511,064

2,722,286

2,511,064

All turnover arose in the United Kingdom

4. OPERATING PROFIT**2016
£****2015
£**

Operating profit is stated after charging:

Depreciation of tangible fixed assets

-

-

Operating lease rentals

-

-

5. AUDITORS REMUNERATION**2016
£****2015
£**

Fees payable to the company's auditors for the audit of the financial statements

-

2,000

Fees payable to the company's auditor for tax compliance services

-

500

-

2,500

STERLING McCALL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2016**

6. EMPLOYEES	2016 £	2015 £
Staff costs, including Directors' remuneration, were as follows:		
Wages and salaries	-	9,494
	<u>-</u>	<u>9,494</u>
	<u>-</u>	<u>9,494</u>
In 2015 Wages and salaries were re-charged from the Company's immediate parent, Tavistock Partners Limited		
The average monthly number of employees (including directors), was as follows:		
Operations management	-	2
	<u>-</u>	<u>2</u>
7. DIRECTORS' REMUNERATION	2016 £	2015 £
Directors' emoluments	-	-
Pension contributions	-	-
	<u>-</u>	<u>-</u>
There were no director's costs during the year (2015: £Nil)		
8. INTEREST RECEIVABLE	2016 £	2015 £
Bank interest receivable	-	181
	<u>-</u>	<u>181</u>
	<u>-</u>	<u>181</u>

STERLING McCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

9. TAXATION	2016 £	2015 £
UK corporation tax		
Current tax on profits for the year	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21.50%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>(590)</u>	<u>681</u>
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 20% (2015: 21.5%):	(118)	146
Effects of:		
Other differences	118	-
Group relief	-	(146)
	<u>-</u>	<u>-</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

STERLING McCALL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2016**

10. DEBTORS	2016	2015
	£	£
Amounts owed by group undertakings	359,806	154,951
Other debtors	-	29,250
	<u>359,806</u>	<u>184,201</u>
	<u><u>359,806</u></u>	<u><u>184,201</u></u>
11. CASH AND CASH EQUIVALENTS	2016	2015
	£	£
Cash at bank and in hand	<u>1,000</u>	<u>3,369</u>
	<u><u>1,000</u></u>	<u><u>3,369</u></u>
12. CREDITORS: amounts falling due within one year	2016	2015
	£	£
Amount owed to group undertaking	-	236
Other creditors	360,463	186,401
	<u>360,463</u>	<u>186,637</u>
	<u><u>360,463</u></u>	<u><u>186,637</u></u>
13. SHARE CAPITAL	2016	2015
	£	£
Allotted, called up and fully paid:		
25,185 ordinary shares of £0.01 each	<u>252</u>	<u>252</u>
	<u><u>252</u></u>	<u><u>252</u></u>
14. RESERVES		
Profit and loss account		
The profit on loss account contains accumulated earnings less dividends paid.		

STERLING McCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

15. ULTIMATE CONTROLLING PARTY

As at 31 March 2016, the ultimate parent undertaking of the Company was Tavistock Investments Plc. There is no single controlling party of Tavistock Investments Plc.

Copies of the financial statements of Tavistock Investments Plc are available from its registered office or from Companies House.

16. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.