

46265

NOBLE GROSSART LIMITED

Report and Accounts
31st January 2013

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COMPANIES HOUSE

NOBLE GROSSART LIMITED

Directors

Sir Angus Grossart QC CBE LLD D Litt FRSE DL
Ewan Brown CBE D.Univ FRSE
Guy Stenhouse BCom
Todd Nugent MA MSc CA
Roger Brown BA CA

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Registered Number

46265

NOBLE GROSSART LIMITED

Directors' Report

The directors present their forty-fourth annual report, together with the accounts of the company for the year ended 31st January 2013 which show the state of the company's affairs and the profit for the year.

Results

In a difficult trading year, the profit for the year before taxation, after charging all operating expenses and after making all necessary provisions, amounted to £1,637,279 (2012 £1,600,626). The profit after taxation amounted to £1,685,289 (2012 £1,388,602). Interim dividends were paid during the year totalling 62p (2012 80p) per ordinary share. No final dividend has been declared (2012 £nil).

Review of business

We have continued to provide merchant banking and related services.

The principal risks of our business are:

Reputational

This is the risk to our market reputation in relation to advice offered to clients. We seek to manage this risk by employing and retaining a small number of highly experienced executives, most of whom have been employed by us for many years, ensuring that they are well trained, engaging with clients whom we know and whose business we understand, and by arranging that any material work is reviewed by at least one other executive.

Operational

This includes the risk of events occurring which could adversely impact on our ability to function. Controls and procedures are in place to reduce operational risks and include staff back up and disaster recovery plans as well as internal controls to minimise the risk of errors.

Liquidity

This risk is managed by maintaining high levels of cash and by forward planning to ensure operational flexibility and choice.

Credit

This is the risk that loans are not repaid. Money market loans are made only to financial institutions authorised by the Financial Services Authority. We review the credit status of institutions to which we may make money market loans on a regular basis. Commercial loans, which are small in number and aggregate amount, are made to customers whom we know well and are normally secured. All loans are subject to regular review.

Directors

The directors of the company at 31st January 2013 and throughout the year were as stated on the first page.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law they have elected to prepare the accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the accounts 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 accounts, 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 accounts; and prepare the accounts on the going concern basis unless it is

NOBLE GROSSART LIMITED

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 accounts 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.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and each director has taken the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Activities and status

During the year Noble Grossart Limited (registered number 46265) has continued to provide merchant banking and related services. The company, which is regulated by the Financial Services Authority, is an authorised institution under the Financial Services and Markets Act 2000.



Roger Brown, Secretary
4th February 2013

NOBLE GROSSART LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st JANUARY 2013**

	Note	2013 £	2012 £
Fees and commissions receivable		1,799,527	5,343,197
Dividend income	2	1,930,000	811,000
Other interest receivable and similar income		1,005,808	795,063
		<hr/>	<hr/>
Total income		4,735,335	6,949,260
Administrative expenses	3	(2,420,219)	(4,817,933)
Interest payable	4	(677,837)	(530,701)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,637,279	1,600,626
Taxation on profit on ordinary activities	5	48,010	(212,024)
		<hr/>	<hr/>
Profit on ordinary activities after taxation	12	1,685,289	1,388,602
		<hr/>	<hr/>

There are no recognised gains or losses other than the profit for the year after taxation of £1,685,289 (2012 £1,388,602), all of which arises from continuing activities. There is no difference between the reported profit and the historical cost profit.

The notes on pages 6 to 10 form part of these accounts.

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**BALANCE SHEET
AS AT 31st JANUARY 2013**

	Note	2013 £	2012 £
Fixed assets			
Heritable property	6	1,500,000	1,500,000
Shares in subsidiaries	7	3,708,994	3,708,994
Other investments	8	-	73,281
		<hr/>	<hr/>
		5,208,994	5,282,275
Non current assets – amounts due after one year			
Deferred tax	9	4,218	5,682
		<hr/>	<hr/>
Total fixed assets and non current assets		5,213,212	5,287,957
Current assets			
Taxation recoverable		97,591	-
Prepayments and accrued income		345,464	360,560
Deferred tax	9	421	538
Cash at bank		43,121,366	54,058,067
		<hr/>	<hr/>
		43,564,842	54,419,165
Creditors – amounts falling due within one year	10	(29,053,678)	(38,568,035)
		<hr/>	<hr/>
Net current assets		14,511,164	15,851,130
		<hr/>	<hr/>
Net assets		19,724,376	21,139,087
		<hr/>	<hr/>
Capital & Reserves			
Called up share capital	11	5,000,000	5,000,000
Revaluation reserve		1,148,692	1,148,692
Profit and loss account	12	13,575,684	14,990,395
		<hr/>	<hr/>
Equity shareholders' interest	13	19,724,376	21,139,087
		<hr/>	<hr/>



Sir Angus Grossart, Director



Ewan Brown, Director

The notes on pages 6 to 10 form part of these accounts.

NOBLE GROSSART LIMITED

Notes on Accounts

1. Accounting Information

The accounts have been prepared on a going concern basis under the historical cost convention (as modified by the revaluation of heritable property) and in accordance with applicable UK accounting standards and the Companies Act 2006. As the company is a wholly owned subsidiary of Noble Grossart Holdings Limited, a cash flow statement and group accounts are not prepared. The company is also exempt, under the terms of Financial Reporting Standard 8 *Related Party Disclosures*, from disclosing related party transactions with companies in the Noble Grossart Holdings group.

The following accounting policies, which are consistent with those for previous years, have been used.

Merchant banking fees are credited to revenue when the fees have been agreed and relevant fee notes have been issued. Fee income in respect of loan guarantees is accrued on a daily basis. Dividend income from investments is credited to revenue when received.

Interest receivable and payable is accrued on a daily basis with the exception of interest on non-performing loans which is credited to revenue when received.

Loans are shown net of provisions. The level of provisions is kept under review by the directors and increases or decreases are charged or credited to revenue. Specific provisions are made against loans where recovery is considered to be doubtful and against loan guarantees where the directors consider it likely that the guarantees could be called. Specific provisions are based on the directors' assessment of the financial performance of the underlying transactions, which includes consideration of the borrowers' financial position. Collective provisions are made against losses which, although not specifically identified, are considered by the directors to apply to the loan portfolio having regard to the portfolio and past experience. Loans are written off when there is no realistic prospect of recovery.

The investment in the company's subsidiary, Noble Grossart Investments Limited, is included at directors' valuation at 31st January 1986 with subsequent additions at cost. Other unlisted investments are stated at the lower of cost and directors' valuation taken individually. The directors' valuation of unlisted investments is based on earnings multiples and net asset values.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions during the year have been converted into sterling at the rates ruling on the dates of the transactions.

The charge for taxation is based on the profit for the year and takes into account deferred tax which is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Cash comprises deposits with banks and building societies maturing within one year and cash in hand.

Heritable property is stated at the directors' valuation at 31st January 1999. This valuation is subject to an annual impairment review using published property market data. No depreciation is charged on heritable property because of the length of its estimated remaining useful economic life.

The cost of furniture and equipment is charged and the proceeds of sale credited to revenue in the year of purchase or sale. The directors consider that the effect of this policy is not material and results in a more conservative treatment than providing an annual charge for depreciation.

Dividends paid and payable are recognised at the point they become irrevocable.

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Notes on Accounts (contd)

2. Dividend income	2013 £	2012 £
Subsidiaries	1,930,000	811,000
	<hr/>	<hr/>
3. Administrative expenses		
Staff costs:		
Wages and salaries	1,694,179	4,039,949
Social security costs	198,131	198,063
Other pension costs	162,315	165,434
	<hr/>	<hr/>
Auditor's remuneration - for audit services	2,054,625	4,403,446
Other administrative expenses	10,030	10,030
	355,564	404,457
	<hr/>	<hr/>
	2,420,219	4,817,933
	<hr/>	<hr/>
The remuneration of directors was		
Emoluments	2,259,298	1,483,488
Pension contributions to money purchase schemes	216,145	71,155
	<hr/>	<hr/>
	2,475,443	1,554,643
	<hr/>	<hr/>
Remuneration of the highest paid director (2012 the chairman) was		
Emoluments	817,725	548,514
Pension contributions to money purchase schemes	59,067	-
	<hr/>	<hr/>
	876,792	548,514
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Emoluments and pension contributions include payments of £1,307,051 (2012 £472,750) in respect of a profit participation scheme for two (2012 two) directors. These amounts were charged against profits in previous years.

The company operates for all employees, including three (2012 three) directors, money purchase pension schemes, the assets of which are held separately from those of the company.

The average number of persons, including directors, employed by the company during the year was sixteen (2012 sixteen).

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Notes on Accounts (contd)

4. Interest payable

	2013 £	2012 £
Amount paid to holding company	132,603	83,424
Amount paid to subsidiaries	545,234	447,277
	<hr/>	<hr/>
	677,837	530,701
	<hr/>	<hr/>

5. Taxation

Corporation tax on profit at 24.33 per cent (2012 26.33 per cent)	(49,711)	208,919
(Over)/under provision of taxation in prior year		
Corporation tax	120	(419)
	<hr/>	<hr/>
	(49,591)	208,500
Deferred tax (note 9)		
Reversal of timing differences	1,200	3,320
Effect of change in tax rate	381	204
	<hr/>	<hr/>
	(48,010)	212,024
	<hr/>	<hr/>

The tax (credit)/charge for the year is lower than the standard rate of corporation tax (24.33 per cent) as follows:

Profit on ordinary activities at the standard rate of corporation tax (2012 26.33 per cent)	398,350	421,445
Effects of:		
Non-taxable items	(446,953)	(209,206)
Timing differences	(1,108)	(3,320)
Adjustments to tax charge in respect of previous years	120	(419)
	<hr/>	<hr/>
	(49,591)	208,500
	<hr/>	<hr/>

6. Heritable property

Heritable property comprises freehold land and buildings used by the company. The heritable property has been valued by the directors at 31st January 1999 at £1,500,000 based on their knowledge of the rental market of similar properties and current yields.

In accordance with Financial Reporting Standard 11, the directors have performed an impairment review and have concluded that there has been no impairment in the value of heritable property as at 31st January 2013. The historical cost of the heritable property is £301,354 (2012 £301,354).

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Notes on Accounts (contd)

7. Shares in subsidiaries

The company holds 1,338,500 ordinary £1 shares representing a 60 per cent interest (2012 60 per cent) in Noble Grossart Investments Limited, registered in Scotland. The historical cost of this investment is £3,260,778 (2012 £3,260,778), with subsequent additions at cost of £448,214 (2012 £448,214). The company also owns, at a total cost of £2 (2012 £2), 2 ordinary £1 shares representing all of the issued share capital of Howe Securities Limited, an investment dealing company registered in Scotland (dormant and not audited), and Hill Street Nominees Limited (dormant and not audited). The directors are of the opinion that the underlying value of the net assets of subsidiaries is not less than the values shown in the balance sheet.

8. Other investments	Unlisted £	Total £
At 1st February 2012	73,281	73,281
Additions	-	-
Disposals	-	-
Provisions	(73,281)	(73,281)
	<hr/>	<hr/>
At 31st January 2013	-	-
	<hr/>	<hr/>

Investments are shown net of provisions totalling £73,281 (2012 £nil). Included in the unlisted investments are holdings of over 20 per cent of the share capital, none of which holdings principally affects the figures shown in the accounts. No provision has been made for the corporation tax liability which would arise if any investment was realised for an amount greater than its cost.

9. Deferred tax

Prepayments and accrued income include deferred tax as follows:	2013 £	2012 £
At 1st February 2012	6,220	9,744
Profit and loss account charge	(1,581)	(3,524)
	<hr/>	<hr/>
At 31st January 2013	4,639	6,220
	<hr/>	<hr/>

The directors believe that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted. The amount which will reverse after more than one year is £4,218 (2012 £5,682).

10. Creditors – amounts falling due within one year

	2013 £	2012 £
Amounts owed to holding company	5,664,319	5,504,466
Amounts owed to subsidiaries	22,728,241	30,140,400
Current taxation	-	71,000
Accruals and deferred income	661,118	2,852,169
	<hr/>	<hr/>
	29,053,678	38,568,035
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Notes on Accounts (contd)

11. Called up share capital

The allotted, called up and fully paid capital is 5,000,000 ordinary shares of £1 each.

12. Profit and loss account	2013 £	2012 £
At 1st February 2012	14,990,395	17,601,793
Profit on ordinary activities after taxation	1,685,289	1,388,602
Dividend paid and payable	(3,100,000)	(4,000,000)
	<hr/>	<hr/>
At 31st January 2013	13,575,684	14,990,395
	<hr/>	<hr/>

13. Movement in equity shareholders' interest

At 1st February 2012	21,139,087	23,750,485
Profit on ordinary activities after taxation	1,685,289	1,388,602
Dividend paid and payable	(3,100,000)	(4,000,000)
	<hr/>	<hr/>
At 31st January 2013	19,724,376	21,139,087
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14. Approval of accounts

The accounts were approved by the directors on 4th February 2013.

NOBLE GROSSART LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE GROSSART LIMITED

We have audited the accounts of Noble Grossart Limited for the year ended 31st January 2013 set out on pages 4 to 10. 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, for this report, 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 2, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of accounts is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31st January 2013 and of its profit for the year 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.

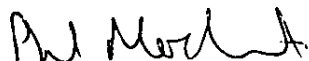
Opinion on other matter prescribed by the Companies Act 2006

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

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 accounts 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.



Phil Merchant (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

4th February 2013