4th Contact Limited

Annual Financial Statements
for the year ended 31 December 2014

Registration no: 3958182

Contents

Directors and Officers

Directors

Mark Hesketh
Graeme Bold

Company Secretary

Frances Horsburgh

Registered Office

30 St Mary Axe
14th Floor
London
EC3A 8EP

Registered Number

3958182

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Level 4, Atria One,
144 Morrison Street,
Edinburgh
EH3 8EX

Report by the Directors

The directors present their report and the audited financial statements of 4th Contact Limited (the Company) for the year ended 31 December 2014. The company was incorporated in England & Wales (registration 3958182).

Results

The result of the Company was a loss after tax of £1,591 (2013 profit after tax: £130,160). The directors do not recommend the payment of a dividend for the year (2013: £Nil)

Directors

The names of the current directors are listed on page 2. There were no changes to directors during the year.

The appointment of directors is not subject to retirement by rotation.

Statement of disclosure of information to the auditors

In accordance with applicable company law, as the Company's directors, we certify that:

- So far as we are aware, there is no relevant information of which the Company's auditors are unaware; and
- As the directors of the Company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board of Directors
Frances Horsburgh, Company Secretary
Edinburgh
22 June 2015

Strategic Report

Business review

The principal activity of the Company is to provide software for the management and communication of employee benefit programmes.

The directors intend to cease trading and therefore these financial statements have been prepared on a basis other than going concern. There has been no impact on the value of the assets, liabilities and expenses have been updated to include future costs of winding up.

Key performance indicators

The directors of Standard Life plc manage Standard Life Group's operations on a business segment basis. The development, performance and position of the life and pensions business, which includes the Company, are discussed in the UK and Europe section of the Strategic Report in the Group's Annual Report and Accounts which does not form part of this report.

Principle risks and uncertainties

The principal risks to which the Company is most specifically exposed are credit risk, liquidity risk and operational risk. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, which is straightforward given the nature of the business and structure of the remaining assets and liabilities.

Employees

The staff who manage the affairs of the Company are employed by Standard Life Employee Services Limited (SLESL), a related party.

The Company is committed to engaging with employee representatives on a broad range of issues, including consultation on any major business change. The Company has a Partnership Agreement with VIVO, the Standard Life Staff Association, which outlines how the Company and VIVO will work on shared objectives including employment security, terms and conditions, equality and diversity and health and safety.

The Company is committed to an equal opportunities policy. The sole criterion for selection or promotion is the suitability of any applicant for the job regardless of ethnic origin, religion, sex, marital status or disablement.

The Company will continue to employ, arrange for retraining, or retire on disability pension any member of staff who becomes disabled, as may be appropriate.

The Company communicates with its employees on a regular basis either through the Company's intranet facility or through regular meetings with management. All employees are encouraged to participate in the Group share scheme.

Environmental matters and social and community issues

Information about environmental matters, including the impact of the Company's business on the environment, and information on social and community issues is given in the Corporate responsibility section in the Group's Annual Report which does not form part of this report.

Financial risk management

The Company manages its various financial risks as outlined in note 15 of the financial statements.

On behalf of the Board of Directors
Frances Horsburgh, Company Secretary
Edinburgh
22 June 2015

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent auditors' report to the members of 4th Contact Limited

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006..

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of accounting. Following the year end, the Directors have decided that the company will cease trading during the next financial year. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. Adjustments have been made to these financial statements to provide for liabilities and expenses arising from the decision; no adjustments were necessary to reduce assets to their realisable values..

What we have audited

The financial statements, which are prepared by 4th Contact Limited, comprise:

- the Statement of financial position as at 31 December 2014;
- the Income statement for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in equity 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 comprises applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Opinion on 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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been 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 Directors' Responsibilities Statement, set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Independent auditors' report to the members of 4th Contact Limited *continued*

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.

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 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Allan McGrath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
22 June 2015

Income statement
for the year ended 31 December 2014

	Notes	2014 £	2013 £
Revenue			
Fee income	2	100,771	253,772
Finance income	3	4,537	7,613
Total revenue		**105,308**	**261,385**
Expenses			
Administrative expenses	4	105,129	129,038
Total expenses		**105,129**	**129,038**
Profit before tax		**179**	**132,347**
Tax expense	8	1,770	2,187
(Loss)/Profit for the year		**(1,591)**	**130,160**

The Company has no comprehensive income or expense other than the profit for the year recognised in the income statement. Accordingly a separate statement of total comprehensive income is not presented in these financial statements

The notes on pages 12 to 20 form an integral part of these financial statements

Statement of financial position as at 31 December 2014

	Notes	2014 £	2013 £
Assets			
Receivables and other financial assets	10	51,608	45,168
Cash and cash equivalents	11	1,281,934	1,585,972
Total assets		**1,333,542**	**1,631,140**
Equity			
Share capital	12	211	211
Share premium		2,166,460	2,166,460
Retained earnings		(874,160)	(872,569)
Total equity		**1,292,511**	**1,294,102**
Liabilities			
Other liabilities	13	41,031	337,038
Total liabilities		**41,031**	**337,038**
Total equity and liabilities		**1,333,542**	**1,631,140**

Approved on behalf of the Board of Directors on 22 June 2015.

Graeme Bold

Graeme Bold
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2014

	Share capital 2014 £	Share premium 2014 £	Retained earnings 2014 £	Total equity 2014 £
At 1 January 2014	211	2,166,460	(872,569)	1,294,102
Loss for the year	-	-	(1,591)	(1,591)
At 31 December 2014	211	2,166,460	(874,160)	1,292,511

	Share capital 2013 £	Share premium 2013 £	Retained earnings 2013 £	Total equity 2013 £
At 1 January 2013	211	2,166,460	(1,002,729)	1,163,942
Profit for the year	-	-	130,160	130,160
At 31 December 2013	211	2,166,460	(872,569)	1,294,102

The notes on pages 12 to 20 form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 December 2014

	Notes	2014 £	2013 £
Cash flows from operating activities			
Profit before tax		179	132,347
Adjusted for:			
Net decrease in operating assets and liabilities	14	(302,447)	141,239
Taxation paid	8	(1,770)	(2,187)
Net cash flows from operating activities		**(304,038)**	**271,399**
Net (decrease)/increase in cash and cash equivalents		(304,038)	271,399
Cash and cash equivalents at the beginning of the year		1,585,972	1,314,573
Cash and cash equivalents at the end of the year	11	**1,281,934**	**1,585,972**

Supplemental disclosures on cash flows from operating activities			
Interest received		4,537	7,613

The notes on pages 12 to 20 form an integral part of these financial statements.

1. Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the European Union (EU) with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The directors intend to cease trading and therefore these financial statements have been prepared on a basis other than going concern. There has been no impact on the value of the assets, liabilities and expenses have been updated to include future costs of winding up.

The principal accounting policies set out below have been consistently applied to all financial reporting periods presented in these financial statements, unless otherwise stated.

(a)(i) New standards, interpretations and amendments to published standards that have been adopted by the Company

The Company has adopted the following new standards, amendments to existing standards which are effective by EU endorsement from 1 January 2014 and management considers the implementation of these amendments has had no significant impact on the Company's financial statements:

- Amendments to IAS 27 Separate Financial Statements and IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- Amendments to IAS 28 Investments in Associates and Joint Ventures (2011)
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- Amendments to IAS 32 Financial Instruments: Presentation
- Amendments to IAS 36 Impairment of Assets.

(a)(ii) Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Company

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Company's annual accounting periods beginning on or after 1 January 2015. The Company has not early adopted the standards, amendments and interpretations described below:

IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2017)

IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements on the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue Barter Transactions Involving Advertising Services. IFRS 15 provides a new revenue recognition model for contracts with customers. The model provides a five step process for determining recognition and measurement of revenue, and considers two approaches to recognise revenue: at a point in time or over time. Extensive new disclosure requirements and estimate and judgment thresholds have been introduced. The adoption of IFRS 15 is not expected to have a significant impact on the measurement and presentation of revenue and related balances in the financial statements of the Company. The standard has not yet been endorsed by the EU.

IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)
IFRS 9 will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 allows only two measurement categories for financial assets: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if it is held to collect contractual cash flows and the cash flows represent principal and interest, otherwise it is measured at fair value through other comprehensive income or fair value through profit or loss (FVTPL) depending on the business model it is held within or whether the option to adopt FVTPL has been applied. IFRS 9 also introduces a new impairment model, an expected credit loss model which will replace the current incurred loss model in IAS 39. An impairment loss may now be recognised prior to a loss event occurring. Financial liabilities may be designated as at FVTPL. The amortised cost measurement basis is applied to most other financial liabilities. For financial liabilities designated as at FVTPL, changes in the fair value due to changes in the liability's credit risk are recognised directly in other comprehensive income.

Additionally IFRS 9 removes and replaces the current requirements for hedge effectiveness in IAS 39 and therefore the requirements for the application of hedge accounting. The new requirements change what qualifies as a hedged item and some of the restrictions on the use of some hedging instruments. The accounting and presentation requirements remain largely unchanged. However, entities will now be required to reclassify the gains and losses accumulated in equity on a cash flow hedge to the carrying amount of a non-financial hedged item when it is initially recognised. Additional disclosures on hedge accounting are also required.

As well as presentation and measurement changes, IFRS 9 also introduces additional disclosure requirements. The standard has not yet been endorsed by the EU.

The adoption of IFRS 9 is not expected to have a significant impact on the measurement and presentation of financial instruments and related balances in the financial statements of the Company.

Notes to the financial statements *continued*

1. Accounting Policies *continued*

(a)(ii) Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Company *continued*

In addition to the above the following standards, interpretations and amendments to existing standards have not been early adopted and are not expected to have a significant impact on the financial statements of the Company:

Standard, amendment or interpretation	Effective Date[1]	Detail	EU endorsement status
IFRIC 21 Levies	17 June 2014	The interpretation clarifies that an entity recognises a liability for a levy when and only when the triggering event specified in the legislation occurs	Endorsed
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions	1 July 2014	The amendments clarify the requirements for attributing employee and third party contributions to periods of service and recognising employee and third party contributions in certain situations	Endorsed
Annual improvements 2010-2012 cycle and Annual improvements 2011-2013 cycle	1 July 2014	These annual improvement cycles make 11 minor amendments to existing standards	Endorsed
Amendment to IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets: Depreciation and Amortisation	1 January 2016	The amendment clarifies the appropriate application of revenue based depreciation or amortisation. The amendment clarifies that revenue based depreciation is not appropriate for property, plant and equipment and, in most circumstances, revenue based amortisation is not appropriate for intangible assets however this is rebuttable.	Not yet endorsed
Amendments to IAS 27 Equity Method in Separate Financial Statements	1 January 2016	The amendments now permit the application of the equity method of accounting in separate financial statements for associates and joint ventures as well as subsidiaries.	Not yet endorsed
Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	1 January 2016	The amendment addresses an inconsistency between IFRS 10 and IAS 28 and clarifies the treatment of a sale or contribution of assets between investors and associates or joint ventures.	Not yet endorsed
Amendment to IFRS 11 Joint arrangements on acquisition of an interest in a joint operation	1 January 2016	The amendment to IFRS 11 requires the application of business combination accounting for the acquisition of the interest in a joint operation which constitutes a business.	Not yet endorsed
Annual improvements 2012-2014 cycle	1 January 2016	This annual improvements cycle makes five minor amendments to existing standards.	Not yet endorsed
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates and Joint Ventures: Applying the Consolidation Exception	1 January 2016	The amendments allow the fair value measurement of subsidiaries of associates or joint ventures to be retained in applying the equity method of accounting for interests in associates or joint ventures that are investment entities. Additionally the amendments clarify the circumstances in which the exemption for investment entities from preparing consolidated financial statements apply and that only a subsidiary which is not an investment entity and provides support services to an investment entity is consolidated.	Not yet endorsed
Amendments to IAS 1 Presentation of Financial Instruments: Disclosure Initiative	1 January 2016	The amendments clarify guidance on presentation in relation to materiality, disaggregation and subtotals, notes, disclosure of accounting policies and OCI arising from investments accounted for under the equity method.	Not yet endorsed

1 for annual periods beginning on or after

Notes to the financial statements *continued*

1. Accounting Policies *continued*

(a)(iii) Judgement in applying accounting policies

The preparation of financial statements requires management to make estimates and assumptions and exercise judgements in applying the accounting policies that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses arising during the period. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area where judgements, estimates and assumptions have the most significant effect on the amounts recognised in the financial statements are around revenue recognition and trade receivables (refer to (b) and (h).

(b) Revenue recognition

(b)(i) Fee income
Fee income, which arose wholly in the UK, relates to the provision of software for management and communication of employee benefit programmes and represents the following:

- The provision of software for management and communication of employee benefit programmes. This is stated net of tax.
- The provision of support contracts and fixed term licenses. Income is recognised over the relevant contract period.
- The delivery of professional services. Income is calculated with reference to the value of the work performed to date as a proportion of total contract value.
- The supply of other goods and services. Income is recognised after to goods and services have been provided.

Fee income is stated net of value added tax.

(b)(ii) Interest income

Interest income recognised in the financial statements is calculated using the effective interest rate (EIR) method.

(c) Expense recognition

Expenditure incurred by the Company is recognised in the month to which it relates. Expenses relating to a month that have not been invoiced are accrued, while invoices received for expenses relating to future months are prepaid.

(d) Taxation

The income tax expense is based on the taxable profits for the year, after adjustments in respect of prior years. Amounts are charged or credited to the statement of comprehensive income or equity as appropriate.

Deferred tax is provided using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is recognised in the income statement. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

The income tax expense is determined using rates enacted or substantively enacted at the Statement of financial position date.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Cash and cash equivalents are categorised for measurement purposes as loans and receivables and are therefore measured at amortised cost.

Notes to the financial statements *continued*

1. Accounting Policies *continued*

(f) Trade receivables

Trade receivables are measured at amortised cost less any impairment losses.

Impairment on individual receivables is determined, at each reporting date, by an evaluation of the exposure on a case-by-case basis. The amount of any impairment loss is recorded in the income statement.

(g) Provisions and contingent liabilities

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reasonably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Contingent liabilities are disclosed if the future obligation is not probable but greater than remote and the amount cannot be reasonably estimated.

(h) Closure costs

Once the decision to terminate the Company has been taken, a liability would be recognised for the costs of winding up the business, irrespective of whether an irrevocable decision to terminate the business has been made at the end of the reporting period.

2. Fee income

Fee income arises wholly from the provision of software for the management and communication of employee benefit programmes. All fee income is generated in the UK.

3. Finance income

	2014 £	2013 £
Cash and cash equivalents	4,537	7,613
Total finance income	**4,537**	7,613

4. Administrative expenses

	Notes	2014 £	2013 £
Staff costs and other employee related costs	5	57,543	69,974
Auditors' remuneration	6	4,456	4,352
Other administrative expenses		43,130	54,712
Total administrative expenses		**105,129**	**129,038**

Other administrative expenses include closure costs refer to note 1(h).

5. Staff costs and other employee related costs

The staff who manage the affairs of the Company are employed by Standard Life Employee Services Limited (SLESL), a subsidiary of Standard Life plc. Staff costs recharged to the Company are set out below.

	2014 £	2013 £
The aggregate remuneration payable in respect of employees was:		
Wages and salaries	47,801	57,405
Social security costs	4,900	6,775
Pension costs	4,842	5,794
Total staff costs and other employee related costs	**57,543**	**69,974**
The average number of staff during the year was:		
United Kingdom	2	2
Total average number of staff employed	**2**	**2**

Notes to the financial statements *continued*

6. Auditors' remuneration

Auditors' remuneration amounted to £4,456 (2013: £4,352) in respect of the audit of the Company's financial statements. There are no audit fees for services other than the statutory audit of the Company (2013: £Nil).

7. Directors' remuneration

No amounts are payable to the directors in respect of their services to the Company (2013:£Nil).

8. Tax expense

(a) Current year tax expense

There is £1,770 tax expense in 2014 (2013: £2,187).

(b) Reconciliation of tax expense

	2014 £	2013 £
Profit before tax	179	132,347
Tax at 21.5% (2013: 23.25%)	38	30,771
Utilisation of previously unrecognised tax losses	(38)	(30,771)
Adjustment in respect of previous periods	1,770	2,187
Total tax expense for the year	1,770	2,187

(c) Deferred tax asset not recognised

Due to uncertainty regarding recoverability, deferred tax has not been recognised in respect of the following assets. The amounts not recognised detailed below were calculated using a rate of 20% (2013: 20%):

- Tax losses carried forward of £223,827 (2013: £222,059)
- Fixed asset temporary differences of £10,920 (2013: £10,920).

9. Financial Assets

	Notes	2014 £	2013 £
Loans and receivables:			
Receivables and other financial assets	10	51,608	45,170
Cash and cash equivalents	11	1,281,934	1,314,573
Total loans and receivables		**1,333,542**	**1,371,966**
Total financial assets		**1,333,542**	**1,371,966**

At 31 December 2013 the Company held no financial investments at fair value (2012: £Nil).

10. Receivables and other financial assets

	Notes	2014 £	2013 £
Trade receivables		55,772	54,011
Impairment		(4,164)	(8,843)
Net trade receivables		51,608	45,168
Receivables and other financial assets		**51,608**	**45,168**

The carrying amounts disclosed above reasonable approximate the fair values as at the year end. All receivables and other financial assets are expected to be recovered within 12 months.

11. Cash and cash equivalents

Cash and cash equivalents of £1,281,934 (2013: £1,585,972) comprised cash held at bank. Interest at a variable rate is applied to cash and cash equivalents.

Notes to the financial statements *continued*

12. Share capital

(a) Authorised share capital

The authorised share capital of the Company at the year end was:

	2014 Number	2014 £	2013 Number	2013 £
Ordinary share of £0.00005 each	10,252,856	513	10,252,856	513
Total	**10,252,856**	**513**	**10,252,856**	**513**

(b) Issued share capital

The allotted, issued and paid up share capital of the Company at the year end was:

	2014 Number	2014 £	2013 Number	2013 £
Ordinary share of £0.00005 each	4,213,299	211	4,213,229	211
Total	**4,213,299**	**211**	**4,213,229**	**211**

13. Other liabilities

	Notes	2014 £	2013 £
Deferred income		5,338	20,051
Due to related parties	17	20,644	288,936
Taxation and social security		2,580	28,051
Other		12,469	-
Total other liabilities		**41,031**	**337,038**

All other liabilities are expected to be settled within 12 months.

The carrying amounts disclosed above reasonable approximate the fair values as at the year end.

14. Net (increase)/decrease in operating assets and liabilities

	2014 £	2013 £
Decrease in operating assets		
Other assets	(6,440)	12,225
	(6,440)	**12,225**
Increase in operating liabilities		
Other liabilities	(296,007)	129,014
	(296,007)	**129,014**
Net decrease in operating assets and liabilities	**(302,477)**	**141,239**

Notes to the financial statements *continued*

15. Risk management

(a) Overview

The Company adopts the risk management framework used by the Group in 2014 to identify, assess, control and monitor risks as set out in the Group Corporate Governance report. This includes information on the use of qualitative risk appetite statements and quantative risk limits in order to manage the Group's risks.

(b) Market risk

The Company defines market risk as the risk that arises from the Company's exposure to market movements, which could result in income, the value of financial assets and liabilities, or the cash flows relating to these, fluctuating by differing amounts. The Company's assets and liabilities are denominated in sterling.

(b)(i) Interest rate risk

The Company has exposure to interest rate risk from its investment in cash and cash equivalents, which is not considered significant.

The Company has no liabilities that expose the Company to interest rate risk.

(c) Credit risk

The Company defines credit risk as the risk of exposure to loss if a counterparty fails to perform its financial obligations, including failure to perform those obligations in a timely manner.

(c)(i) Concentrations of credit risk

Concentrations of credit risk are managed by setting maximum exposure limits to types of financial instruments and counterparties. The limits are established using the following controls:

Financial instrument with credit risk exposure	Control
Cash and cash equivalents	Maximum counterparty exposure limits are set with reference to internal credit assessments.
Other financial instruments	Appropriate limits are set for other financial instruments to which the Company may have exposure at certain times.

(c)(ii) Credit exposure of financial assets that are neither past due nor impaired

The financial assets of the Company that are neither past due nor impaired at the Statement of financial position date are classified according to external rating agencies credit ratings of the counterparties. The Company's assets which are placed with external counterparties are its holdings in cash and cash equivalents, which have a credit rating of A.

(c)(iii) Credit exposure to financial assets that are past due or impaired

Assets are deemed to be past due when a counterparty has failed to make a payment when contractually due. At 31 December 2014 the Company had receivables and other financial assets of £47,872 (2013: £22,803) which were deemed to be past due but not impaired.

For receivables considered to be impaired, the following objective evidence is taken into account:

- Reasonable doubt as to collectability of full amount due
- Amounts due that are contractually 90 days in arrears with uncertainty as to collectability

At 31 December 2014 assets considered to be impaired amounted to £4,164 (2013: £11,628). The carrying amount of an asset subject to any impairment charge is directly reduced by the amount of the impairment.

Notes to the financial statements *continued*

15. Risk management *continued*

(d) Liquidity risk

The Company defines liquidity risk as the risk that the Company is unable to realise investments and other assets in order to settle their financial obligations when they fall due, or can do so only at excessive cost.

The Company benefits from membership of a larger Group to the extent that, centrally, the Group:
- Coordinates strategic planning and funding requirements;
- Monitors, assesses and oversees the investment of assets within the Group;
- Monitors and manages risk, capital requirements, and available capital on a Group-wide basis; and
- Maintains a portfolio (currently undrawn) of committed bank facilities.

Liquidity risk is managed in consultation with the Group Capital Management function which incorporates treasury management.

At 31 December 2014 there were no contractual undiscounted cashflows payable by the Company in respect of financial liabilities and are due within one year (2013: £nil).

(e) Operational risk

The Company defines operational risk as the risk of loss, or adverse consequences for the Company's business, resulting from inadequate or failed internal processes, people or systems, or from external events. This includes conduct risk which is defined as the risk that through our culture, strategies, decision-making and behaviours we do not deliver good outcomes for our customers.

The policy framework, which includes the Group operational risk policy and the Group conduct risk policy, is used to support the management of operational and conduct risks.

16. Contingencies

The Company is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on the results and financial position of the Company.

17. Related party transactions

Transactions with and balances from/to related parties

In the normal course of business, the Company enters into transactions with related parties that relate to the provision of staff, physical infrastructure and support services to other companies within the Group.

The year end balances arising from transactions carried out by the Company with related parties are as follows:

	Notes	2014 £	2013 £
Due to related parties:			
Due to parent		20,644	288,936
Total due to related parties	**13**	**20,644**	**288,936**

18. Events after the reporting period

Post year-end the Directors have taken the decision to cease trading and wind up the company in 2015.

Notes to the financial statements *continued*

19. Ultimate parent and controlling party

The Company's parent company is Vebnet (Holdings) Limited which owns 100% of the shares. The ultimate parent and controlling party of the Company is Standard Life plc.

Copies of Standard Life plc consolidated financial statements can be obtained from the Company Secretary, Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH.