

Company Registration No. SC 180545

SARACEN FUND MANAGERS LIMITED

Report and Financial Statements

31 March 2012

SATURDAY



S1ELQ8KO

SCT

04/08/2012

#118

COMPANIES HOUSE

SARACEN FUND MANAGERS LIMITED

CONTENTS

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

SARACEN FUND MANAGERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J C Fisher
G H Campbell
J C Spence
D A Leaf

SECRETARY

Maclay Murray & Spens
1 George Square
Glasgow G2 1DY

REGISTERED OFFICE

19 Rutland Square
Edinburgh EH1 2BB

BANKERS

Bank of Scotland
Chief Office
110 St Vincent Street
Glasgow G2 5ES

SOLICITORS

Maclay Murray & Spens
1 George Square
Glasgow G2 1DY

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants & Statutory Auditor
Glasgow

SARACEN FUND MANAGERS LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year to 31 March 2012. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITY

The company's principal activity is investment management.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

During the year the company has continued to act as investment manager and Authorised Corporate Director for Saracen Investment Funds ICVC, an investment company with variable capital.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £106,514 (2011 – Profit of £85,030). Full details of the results are set out in the profit and loss account on page 7. The dividend distributed for the year was £nil (2010 - £300,000).

GOING CONCERN

The financial year ended 31 March 2012 was a transitional year for the company. The results were affected by a number of one-off costs associated with the office move by the company from Glasgow to Edinburgh. They were also affected by the heavy spend on re-branding Saracen Fund Managers, including a complete redesign of the company's website. The costs associated with the above will not be incurred in the current financial year.

Equity markets are likely to remain volatile and it is important for Saracen to increase the Sales and Marketing effort to build client relationships. The Directors monitor the business performance on an ongoing basis. If the current losses continue the Directors will assess whether additional support needs to be provided to the business through the issuance of further equity or a reassessment of the cost structure.

With a new Chief Executive in place and after the changes above, the company is well positioned for the future. The objectives are to deliver long-term investor returns above benchmark and raise further assets for Saracen's high performing Growth fund and to increase the size of the new Global Income & Growth fund. Accordingly, the directors continue to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

POLITICAL & CHARITABLE CONTRIBUTIONS

The company made no political or charitable contributions during the current or prior year.

DIRECTORS AND THEIR INTERESTS

The following directors held office throughout the year (except where otherwise shown):

J C Fisher

G H Campbell

J C Spence

D A Leaf

The interest of the directors in the share capital of the company was as follows:

	31-Mar-12 Ordinary shares of £0.10 each	31-Mar-12 Preference shares of £1 each	31-Mar-11 Ordinary shares of £0.10 each	31-Mar-11 Preference shares of £1 each
Jim Fisher	1,701	127,500	1,701	127,500
John Spence	100	7,500	100	7,500
Daniel Leaf	640	48,000	-	-
Graham Campbell	1,360	102,000	-	-

SARACEN FUND MANAGERS LIMITED

DIRECTORS' REPORT (continued)

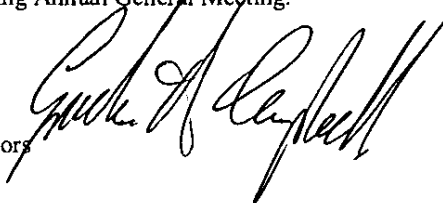
AUDITORS

In the case of each of the persons who are Directors of the company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in s418 of the Companies Act 2006) of which the company's auditor is unaware; and
- each of the Directors has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information (as defined in s418 of the Companies Act 2006) and to establish that the company's auditors is aware of this information.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on its behalf



27 July 2012

SARACEN FUND MANAGERS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 SARACEN FUND MANAGERS LIMITED

We have audited the financial statements of Saracen Fund Managers Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Statement of Directors' Responsibilities, 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

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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

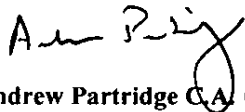
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARACEN FUND MANAGERS LIMITED (continued)

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; or



Andrew Partridge C.A. (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Glasgow, United Kingdom
27 July 2012

SARACEN FUND MANAGERS LIMITED**PROFIT AND LOSS ACCOUNT****Year ended 31 March 2012**

	Note	2012 £	2011 £
TURNOVER			
Continuing operations		488,156	521,514
Administrative expenses		(618,634)	(421,798)
Other operating income		-	13,537
OPERATING PROFIT	2	(130,478)	113,253
Interest receivable and similar income		198	335
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(130,280)	113,588
Taxation	4	23,766	(28,558)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	12	(106,514)	85,030

All amounts shown in the profit and loss account relate to continuing operations.

There have been no recognised gains or losses other than as shown above. Accordingly, no Statement of Total Recognised Gains and Losses is provided.

There is no difference between the profits on ordinary activities before taxation and the retained profit for the period, stated above, and their historical cost equivalent.

SARACEN FUND MANAGERS LIMITED**BALANCE SHEET****As at 31 March 2012**

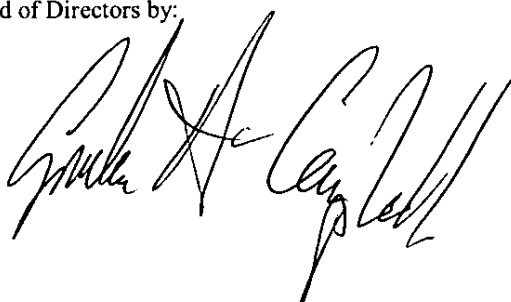
	Note	31-Mar 2012 £	31-Mar 2011 £
FIXED ASSETS			
Tangible assets	5	12,553	14,540
		<u>12,553</u>	<u>14,540</u>
CURRENT ASSETS			
Debtors	6	68,012	47,494
Cash at bank and in hand		383,305	303,967
		<u>451,317</u>	<u>351,461</u>
CREDITORS: amounts falling due within one year	7	(118,280)	(64,097)
NET CURRENT ASSETS		333,037	287,364
TOTAL ASSETS LESS CURRENT LIABILITIES		345,590	301,904
CREDITORS: amounts falling due after more than one year	8	(300,000)	(150,000)
NET ASSETS		<u>45,590</u>	<u>151,904</u>
CAPITAL AND RESERVES			
Called up share capital	9	400	200
Profit and loss account	12	28,690	135,204
Capital redemption reserve	12	15,010	15,010
Share premium	12	1,490	1,490
SHAREHOLDERS' FUNDS	10	<u>45,590</u>	<u>151,904</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

These financial statements of Saracen Fund Managers Limited (registered number SC 180545) were approved and authorised for issue by the Board of Directors on 27 July 2012.

Signed on behalf of the Board of Directors by:

G H Campbell
Director



SARACEN FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2012

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below:

Turnover

Turnover represents amounts receivable from third parties for investment management services and is recognised net of value added tax as the services are provided. Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and the turnover can be reliably measured.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write off the costs less estimated residual value of fixed assets by equal annual instalments over their estimated useful lives which are considered to be:

Computer hardware and software	3 years
Fixtures & Fittings	3 years

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Operating leases

Rentals under operating leases are charged to the profit and loss account in equal amounts over the lease term.

Cash flow statement

The company has taken advantage of the exemption available under Financial Reporting Standard No. 1 (Revised) not to present a cash flow statement as it is a small entity, as defined in the Companies Act 2006.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SARACEN FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2012

2. OPERATING PROFIT

	2012	2011
	£	£
This is stated after charging the following:		
Directors' remuneration	131,819	141,525
Property lease rental	26,158	14,036
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2,500	3,000
Fees payable to the Company's auditor for other services:		
Tax compliance services	1,100	3,350
Other Assurance Services	1,500	-

3. INFORMATION REGARDING EMPLOYEES

	2012	2011
	No.	No.
Average number of employees (including executive directors)	7	3

	2012	2011
	£	£
Staff costs (including Directors)		
Wages and salaries	351,729	299,298
Social security costs	35,181	25,014
	<u>386,910</u>	<u>324,312</u>

Directors' remuneration:	£	£
Emoluments	<u>131,819</u>	<u>151,525</u>

SARACEN FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2012

4. TAXATION

	2012 £	2011 £
i) Analysis of tax (credit)/charge on ordinary activities		
UK Corporation tax (credit)/charge	-	21,419
Adjustments in respect of prior periods	(21,418)	1,311
	(21,418)	21,381
Reversal of timing differences	-	-
Effect of changes in tax rate	-	-
Deferred taxation	(2,348)	7,177
	(23,766)	28,558
ii) Factors affecting tax (credit)/charge for the current period		
(Loss) / Profit on ordinary activities before taxation	(130,280)	113,588
Tax on (Loss) / profit on ordinary activities at 20% (2011: 21%)	(26,056)	56,935
Expenses not deductible for tax purposes	1,585	1,509
Capital allowances in excess of depreciation	347	(82)
Movement in short term timing differences	(422)	(9,359)
Adjustments in respect of prior periods	(21,418)	1,311
Tax losses arising in the period	24,546	-
	(21,418)	21,381

At 31 March 2012 there was an unrecognised deferred tax asset of £3,140 (2011: £nil).

5. TANGIBLE FIXED ASSETS

	Computer hardware and software £	Fixtures and Fittings £	Total £
Cost			
At 1 April 2011	14,540	-	14,540
Additions	-	4,860	4,860
Disposals	-	-	-
At 31 March 2012	14,540	4,860	19,400
Depreciation			
At 1 April 2011	-	-	-
Charge for the year	4,846	2,001	6,847
Disposals	-	-	-
At 31 March 2012	4,846	2,001	6,847
Net book value			
At 31 March 2012	9,694	2,859	12,553

SARACEN FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2012

6. DEBTORS

	2012 £	2011 £
Trade debtors	43,247	43,624
Other debtors	3,324	3,870
Corporation tax	21,441	-
	<u>68,012</u>	<u>47,494</u>

7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Amounts falling due within one year:		
Accruals	9,249	3,750
Tax and social security creditors	9,987	9,750
Corporation tax	-	21,418
Other creditors	99,044	26,831
Deferred tax liability	-	2,348
	<u>118,280</u>	<u>64,097</u>

8. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Redeemable preference shares	<u>300,000</u>	<u>150,000</u>
------------------------------	----------------	----------------

On 24 January 2012, 150,000 redeemable preference shares were issued to directors of the company at a value of £1.00 per share, taking the total value of preference shares as at 31 March 2012 to £300,000. Please find further details of this transaction in note 14 on page 14.

Redeemable preference shares carry an entitlement to discretionary dividends and will be redeemed by the company five years from the date of issue. The company may redeem the shares in advance of the expiry date if an agreement with the shareholders is reached and FSA approval is obtained. Holders of the redeemable preference shares have the right on a winding-up to receive, in priority to any other classes of shares, the sum of £1 per share.

SARACEN FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2012

9. SHARE CAPITAL

As at 31 March 2012

	Authorised No.	Issued and Fully Paid No.	£
Ordinary shares of £0.10 each	4,000	4,000	400
Redeemable preference shares of £1 each	300,000	300,000	300,000

During the period an allotment of 2,000 additional ordinary shares was issued to company directors and fully paid at £0.10 per share on 24 January 2012. Additionally, there were an extra 150,000 redeemable preference shares authorised and issued as at 31 March 2012 at a value of £1.00 per share for a total consideration of £150,000.

The redeemable preference share are presented as a liability (see note 8) and accordingly are excluded from called-up share capital in the balance sheet.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	151,904	366,874
New Shares Issued	200	-
(Loss) / Profit for the financial year	(106,514)	85,030
Dividend paid	-	(300,000)
Closing shareholders' funds	45,590	151,904

11. RELATED PARTY TRANSACTIONS

The company acts as investment manager and Authorised Corporate Director for Saracen Investment Fund ICVC. In respect of the year ended 31 March 2012 the company charged the funds management fees totalling £491,735 (2011 - £521,514) and recharged expenses totalling £32,111 (2011 £16,653). Management fees which were outstanding from Saracen Investment Funds as at 31 March 2012 totalled £43,021 (2011 - £43,624).

SARACEN FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2012

12. RESERVES

	Share Capital £	Share premium account £	Capital redemption reserve £	Profit & Loss account £	Total £
As at 1 April 2011	200	1,490	15,010	135,204	151,904
Loss for the year	-	-	-	(106,514)	(106,514)
Shares Issued	200	-	-	-	200
Dividend paid	-	-	-	-	-
As at 31 March 2012	400	1,490	15,010	28,690	45,590

13. FINANCIAL COMMITMENTS

During the year ended 31 March 2011, a lease agreement for the Edinburgh office premises has been entered into with an annual lease cost of £18,000. This lease has been carried forward in the current period and expires between 1 and 4 years from the current balance sheet date. There are no other financial commitments.

14. CONTROLLING PARTY

The company is controlled by Mr J C Fisher (Chairman) and Mr G H Campbell, who own 42 per cent and 34 per cent respectively of the issued share capital of the company (2010: J.C. Fisher - 85%; G H Campbell - 0%).

On 22 May 2012, Jim Fisher sold 201 shares with a nominal value of £20.10.