

Registered number: SC182721

**BALMORAL ASSET MANAGEMENT LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**



**BALMORAL ASSET MANAGEMENT LIMITED**

**COMPANY INFORMATION**

|                          |                                                                                                                  |
|--------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>DIRECTORS</b>         | Stuart MacDonald<br>Mark Burrell<br>Euan Atkinson<br>Douglas Considine<br>Christopher Hendry                     |
| <b>REGISTERED NUMBER</b> | SC182721                                                                                                         |
| <b>REGISTERED OFFICE</b> | 18 Rutland Square<br>Edinburgh<br>EH1 2BB                                                                        |
| <b>ACCOUNTANTS</b>       | EQ Accountants LLP<br>Chartered Accountants<br>Pentland House<br>Saltire Centre<br>Glenrothes<br>Fife<br>KY6 2AH |
| <b>BANKERS</b>           | Bank of Scotland<br>PO Box 1000<br>BX2 1LB                                                                       |
| <b>SOLICITORS</b>        | Dickson Minto WS<br>16 Charlotte Square<br>Edinburgh<br>EH2 4DF                                                  |

# **BALMORAL ASSET MANAGEMENT LIMITED**

## **CONTENTS**

|                                          | <b>Page</b>   |
|------------------------------------------|---------------|
| <b>Statement of financial position</b>   | <b>1 - 2</b>  |
| <b>Notes to the financial statements</b> | <b>3 - 11</b> |

**BALMORAL ASSET MANAGEMENT LIMITED**  
**REGISTERED NUMBER: SC182721**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

|                                                         | Note | 2016<br>£        | 2015<br>£        |
|---------------------------------------------------------|------|------------------|------------------|
| <b>FIXED ASSETS</b>                                     |      |                  |                  |
| Intangible assets                                       | 5    | 172,333          | 216,333          |
| Tangible assets                                         | 6    | 1,340,499        | 1,291,660        |
|                                                         |      | <u>1,512,832</u> | <u>1,507,993</u> |
| <b>CURRENT ASSETS</b>                                   |      |                  |                  |
| Debtors: amounts falling due within one year            | 7    | 477,112          | 378,960          |
| Current asset investments                               | 8    | 162,154          | -                |
| Cash at bank and in hand                                |      | 684,596          | 854,507          |
|                                                         |      | <u>1,323,862</u> | <u>1,233,467</u> |
| Creditors: amounts falling due within one year          | 9    | (863,881)        | (781,889)        |
| <b>NET CURRENT ASSETS</b>                               |      | <u>459,981</u>   | <u>451,578</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |      | <u>1,972,813</u> | <u>1,959,571</u> |
| Creditors: amounts falling due after more than one year | 10   | (356,340)        | (401,055)        |
| <b>PROVISIONS FOR LIABILITIES</b>                       |      |                  |                  |
| Deferred tax                                            | 11   | (16,005)         | (4,709)          |
|                                                         |      | <u>(16,005)</u>  | <u>(4,709)</u>   |
| <b>NET ASSETS</b>                                       |      | <u>1,600,468</u> | <u>1,553,807</u> |
| <b>CAPITAL AND RESERVES</b>                             |      |                  |                  |
| Called up share capital                                 |      | 83               | 83               |
| Capital redemption reserve                              |      | 17               | 17               |
| Profit and loss account                                 |      | 1,600,368        | 1,553,707        |
|                                                         |      | <u>1,600,468</u> | <u>1,553,807</u> |

**BALMORAL ASSET MANAGEMENT LIMITED**  
**REGISTERED NUMBER: SC182721**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2016**

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

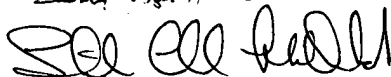
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24th April 2017



**Stuart MacDonald**  
Director



**Mark Burrell**  
Director

The notes on pages 3 to 11 form part of these financial statements.

## **BALMORAL ASSET MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. GENERAL INFORMATION**

Balmoral Asset Management Limited is a private company, limited by shares and incorporated in Scotland, registration number SC182721. The registered office address is 18 Rutland Square, Edinburgh, EH1 2BB.

The principal activity of the company was the provision of independent financial advisory services.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

#### **2. ACCOUNTING POLICIES**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

##### **Transition to FRS 102-1A**

This is the first year that the company has presented financial statements under FRS 102-1A. The last financial statements under existing UK GAAP were for the year ended 31 December 2015. The date of transition was 1 January 2016. It should be noted that the transition to FRS 102-1A resulted in no changes to the previously reported figures.

The following principal accounting policies have been applied:

##### **2.2 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover represents amounts receivable for financial services provided. Income is recognised upon receipt of the client's authorisation of a new investment contract. For ongoing contracts, income is recognised on the renewal date. Project fees are recognised on an accruals basis.

##### **2.3 Intangible assets**

###### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

###### **Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

## **BALMORAL ASSET MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                                  |                             |
|----------------------------------|-----------------------------|
| Plant and machinery              | - 10% and 25% straight line |
| Fixtures, fittings and equipment | - 25% straight line         |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### **2.5 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.

##### **2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

**2.8 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.

**2.9 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.11 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge 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 tax 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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**3. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 23 (2015 - 20).

**BALMORAL ASSET MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. TAXATION**

|                                                  | 2016<br>£      | 2015<br>£      |
|--------------------------------------------------|----------------|----------------|
| <b>CORPORATION TAX</b>                           |                |                |
| Current tax on profits for the year              | 221,960        | 218,419        |
| Over/(under) provision in prior year             | 745            | (14)           |
|                                                  | <u>222,705</u> | <u>218,405</u> |
| <b>TOTAL CURRENT TAX</b>                         | <u>222,705</u> | <u>218,405</u> |
| <b>DEFERRED TAX</b>                              |                |                |
| Origination and reversal of timing differences   | 11,295         | 869            |
| <b>TOTAL DEFERRED TAX</b>                        | <u>11,295</u>  | <u>869</u>     |
| <b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b> | <u>234,000</u> | <u>219,274</u> |

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2015 -the same as) the standard rate of corporation tax in the UK of 20% (2015 - 20%) as set out below:

|                                                                                                           | 2016<br>£        | 2015<br>£        |
|-----------------------------------------------------------------------------------------------------------|------------------|------------------|
| Profit on ordinary activities before tax                                                                  | <u>1,080,781</u> | <u>1,047,553</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20%) | 216,156          | 209,511          |
| <b>EFFECTS OF:</b>                                                                                        |                  |                  |
| Non-tax deductible amortisation of goodwill and impairment                                                | 8,800            | -                |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                 | 8,175            | 7,249            |
| Adjustments to tax charge in respect of prior periods                                                     | 745              | (14)             |
| Other timing differences leading to an increase (decrease) in taxation                                    | 124              | 124              |
| Marginal relief                                                                                           | -                | 2,404            |
| <b>TOTAL TAX CHARGE FOR THE YEAR</b>                                                                      | <u>234,000</u>   | <u>219,274</u>   |

**BALMORAL ASSET MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**5. INTANGIBLE ASSETS**

|                       | Goodwill<br>£  |
|-----------------------|----------------|
| <b>COST</b>           |                |
| At 1 January 2016     | 220,000        |
| At 31 December 2016   | <u>220,000</u> |
| <b>AMORTISATION</b>   |                |
| At 1 January 2016     | 3,667          |
| Charge for the year   | 44,000         |
| At 31 December 2016   | <u>47,667</u>  |
| <b>NET BOOK VALUE</b> |                |
| At 31 December 2016   | <u>172,333</u> |
| At 31 December 2015   | <u>216,333</u> |

**6. TANGIBLE FIXED ASSETS**

|                                       | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£       |
|---------------------------------------|---------------------------|-----------------------------|---------------------------------------------|------------------|
| <b>COST OR VALUATION</b>              |                           |                             |                                             |                  |
| At 1 January 2016                     | 1,240,650                 | 133,311                     | 147,750                                     | 1,521,711        |
| Additions                             | -                         | 62,013                      | 5,050                                       | 67,063           |
| At 31 December 2016                   | <u>1,240,650</u>          | <u>195,324</u>              | <u>152,800</u>                              | <u>1,588,774</u> |
| <b>DEPRECIATION</b>                   |                           |                             |                                             |                  |
| At 1 January 2016                     | -                         | 88,355                      | 141,696                                     | 230,051          |
| Charge for the period on owned assets | -                         | 15,569                      | 2,655                                       | 18,224           |
| At 31 December 2016                   | <u>-</u>                  | <u>103,924</u>              | <u>144,351</u>                              | <u>248,275</u>   |
| <b>NET BOOK VALUE</b>                 |                           |                             |                                             |                  |
| At 31 December 2016                   | <u>1,240,650</u>          | <u>91,400</u>               | <u>8,449</u>                                | <u>1,340,499</u> |
| At 31 December 2015                   | <u>1,240,650</u>          | <u>44,957</u>               | <u>6,053</u>                                | <u>1,291,660</u> |

**BALMORAL ASSET MANAGEMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****7. DEBTORS**

|                                | 2016<br>£      | 2015<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 307,174        | 242,057        |
| Other debtors                  | 101,000        | 45,000         |
| Prepayments and accrued income | 68,938         | 91,903         |
|                                | <u>477,112</u> | <u>378,960</u> |

Included within other debtors due within one year are loans to the following directors:  
Christopher Hendry and Douglas Considine amounting to £38,000 each. The maximum amount outstanding during the year was £76,000 each. The directors' loans attract interest of 0.4% and are due to be repaid in instalments by September 2017.

**8. CURRENT ASSET INVESTMENTS**

|                      | 2016<br>£      | 2015<br>£ |
|----------------------|----------------|-----------|
| Unlisted investments | 162,154        | -         |
|                      | <u>162,154</u> | <u>-</u>  |

**9. CREDITORS: Amounts falling due within one year**

|                                    | 2016<br>£      | 2015<br>£      |
|------------------------------------|----------------|----------------|
| Bank loans                         | 44,418         | 43,214         |
| Trade creditors                    | 11,870         | 10,609         |
| Corporation tax                    | 221,960        | 218,419        |
| Other taxation and social security | 37,737         | 37,206         |
| Other creditors                    | 465,943        | 396,450        |
| Accruals and deferred income       | 81,953         | 75,991         |
|                                    | <u>863,881</u> | <u>781,889</u> |

|                 | 2016<br>£     | 2015<br>£     |
|-----------------|---------------|---------------|
| PAYE/NI control | <u>37,737</u> | <u>37,206</u> |

**Secured loans**

Bank loans of £44,418 (2015 - £43,214) are secured by a bond and floating charge.

**BALMORAL ASSET MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**10. CREDITORS: Amounts falling due after more than one year**

|            | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|------------|-------------------|-------------------|
| Bank loans | <b>356,340</b>    | <b>401,055</b>    |

**Secured loans**

Bank loans of £356,340 (2015 - £401,055) are secured by a bond and floating charge.

**11. DEFERRED TAXATION**

|                           | <b>2016<br/>£</b> |
|---------------------------|-------------------|
| At beginning of year      | <b>(4,709)</b>    |
| Charged to profit or loss | <b>(11,296)</b>   |
| <b>AT END OF YEAR</b>     | <b>(16,005)</b>   |

The provision for deferred taxation is made up as follows:

|                                | <b>2016<br/>£</b> |
|--------------------------------|-------------------|
| Accelerated capital allowances | <b>(16,005)</b>   |
|                                | <b>(16,005)</b>   |

**12. SHARE CAPITAL**

|                                             | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|---------------------------------------------|-------------------|-------------------|
| <b>Shares classified as equity</b>          |                   |                   |
| <b>Allotted, called up and fully paid</b>   |                   |                   |
| 508 Ordinary Class 'A' shares of £0.10 each | <b>51</b>         | <b>51</b>         |
| 322 Ordinary Class 'B' shares of £0.10 each | <b>32</b>         | <b>32</b>         |
|                                             | <b>83</b>         | <b>83</b>         |

The 'A' and 'B' ordinary shares rank pari-passu in all respects.

**BALMORAL ASSET MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**13. 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.