

Cavendish Asset Management Limited

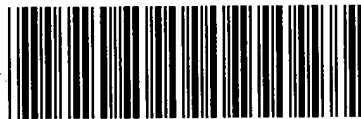
Report and Financial Statements

Year Ended

31 December 2015

Company Number 0735076

TUESDAY



A5FERPEO

A15

13/09/2016

#149

COMPANIES HOUSE

Cavendish Asset Management Limited

Report and financial statements for the year ended 31 December 2015

Contents

Page:

1	Officers and professional advisors
2	Strategic report
3	Report of the directors
5	Independent auditor's report
7	Statement of income and retained earnings
8	Statement of financial position
9	Notes forming part of the financial statements

Cavendish Asset Management Limited

**Officers and professional advisors
for the year ended 31 December 2015**

Directors

Julian Lewis
Clive Lewis
Michael Rosehill
Stephen Goldman

Secretary and registered office

Cavendish Square Secretariat,
Chelsea House, West Gate, London, W5 1DR.

Company number

735076

Auditors

BDO LLP,
55 Baker Street, London, W1U 7EU.

Cavendish Asset Management Limited

Strategic report for the year ended 31 December 2015

The Directors present the Strategic Report, Directors' Report and the financial statements of Cavendish Asset Management Limited (the "company") for the year ended 31 December 2015.

Overview

The principal activity of the company is investment portfolio management.

Review of business and future developments

The statement of income & retained earnings is set out on page 7 and shows the results for the year.

The directors consider the results for the year to be satisfactory and are confident that the long term trend remains positive.

The company is authorised and regulated by the Financial Conduct Authority ('FCA').

Principal risks and uncertainties

The key business risks and uncertainties affecting the business relate to the performance of the company in undertaking investment portfolio management.

The company is not exposed to any significant price, interest rate, credit, liquidity or cash flow risk.

Risk management

The board of directors is responsible for determining the level of risk acceptable to the company. This is subject to a regular review. The company has regular meetings to manage all risks.

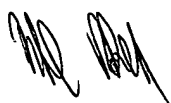
Details of the company's unaudited Pillar 3 disclosures, required under Chapter 11 of the FCA's Prudential Sourcebook for Banks, Building Societies and Investments Firms ("BIPRU") can be found on the company's website, www.cavendisham.co.uk.

Key performance indicators

A number of key performance indicators are measured on an ongoing basis. The KPIs used by management in measuring the performance of the business are:

Category Indicator	2015	2014
Turnover	4,925,088	4,390,543
Administrative expenses	(4,997,846)	(4,263,598)
Effects of changes in accounting policies	3,720	6,210
Profit (loss) before taxation	(71,213)	124,245

By order of the Board



Cavendish Square Secretariat

Secretary

20th April 2016

Cavendish Asset Management Limited

Report of the directors for the year ended 31 December 2015

Directors

The directors of the company during the year were as follows:

Clive Lewis
Julian Lewis
Michael Rosehill
Stephen Goldman

Dividends

The directors do not recommend the payment of a dividend for the year (2014- £nil).

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 judgements and accounting 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 financial statements; 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.

Going concern

The directors believe that the Company is well placed to manage its business risks successfully and to continue to be profitable for the foreseeable future. Therefore, the going concern basis has been adopted in preparing these financial statements

Cavendish Asset Management Limited

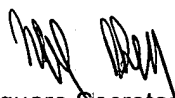
Report of the directors for the year ended 31 December 2015 (Continued)

Auditors

The directors have taken all the appropriate steps to make themselves aware of any information needed by the company's auditors for the purposes of their audit. The directors have, as far as they are aware, ensured that there is no relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be approved at the annual general meeting pursuant to s485 of the Companies Act 2006.

By order of the Board



Cavendish Square Secretariat

Secretary

20th
..... April 2016

Cavendish Asset Management Limited

Independent auditor's report

TO THE MEMBERS OF CAVENDISH ASSET MANAGEMENT LIMITED

We have audited the financial statements of Cavendish Asset Management Ltd for the year ended 31 December 2015 which comprise the primary statements such as the statement of income and retained earnings account, the statement of financial position, the cash flow statement, the note of historical cost profits and losses and the related notes. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditors

As explained more fully in the 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Cavendish Asset Management Limited

Independent auditor's report

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.



*Daniel Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London*

26 April 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Cavendish Asset Management Limited

Statement of income and retained earnings for the year ended 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
Turnover			4,925,088		4,390,543
Administrative expenses			(4,997,846)		(4,263,598)
Interest receivable	5	7,998		8,411	
Interest payable and similar charges	6	(10,173)		(11,111)	
Fair value of investments		3,720		6,210	
			1,545		3,510
Profit / (loss) on ordinary activities before taxation	4		(71,213)		130,455
Taxation on loss on ordinary activities	7		-		-
Profit / (loss) for the financial year and total comprehensive income	14		(71,213)		130,455
Retained earnings at start of the year (as previously reported)			2,901,783		2,798,753
Effects of changes in accounting policies	17		-		(27,425)
Retained earnings at the start of the year (restated)			2,901,783		2,771,328
Retained earnings at the end of the year			2,830,570		2,901,783

All amounts relate to continuing activities.

Cavendish Asset Management Limited

Statement of financial position at 31 December 2015 Company Number: 0735076

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	8		93,355		74,449
Current assets					
Debtors	9	1,472,913		912,587	
Investments	10	121,141		117,421	
Cash at bank and in hand	11	2,739,332		3,034,908	
		<u>4,333,386</u>		<u>4,064,916</u>	
Creditors: amounts falling due within one year	12	<u>(1,396,171)</u>		<u>(1,037,582)</u>	
Net current assets			<u>2,937,215</u>		<u>3,027,334</u>
Net assets			<u>3,030,570</u>		<u>3,101,783</u>
Capital and reserves					
Ordinary share capital	13		200,000		200,000
Profit and loss account	14		2,830,570		2,901,783
Shareholders' funds			<u>3,030,570</u>		<u>3,101,783</u>

The financial statements were approved by the Board of Directors and authorised for issue on



Julian Lewis
Director



Michael Rosehill
Director

The notes on pages 9 to 15 form part of these financial statements.

Cavendish Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015

1 Statement of compliance

The Financial Statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

2 Accounting policies

Basis of preparation

The following principal accounting policies have been applied:

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 17.

Disclosure exemptions

The Company has adopted the following disclosure exemptions, with reference to the parent companies in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained, which is set out in Note 16:

- The requirement to present a statement of cash flows and related notes
- No disclosure has been given for the aggregate remuneration of the key management personnel

Fair value of financial assets and liabilities

The company discloses the fair value measurement of financial assets and liabilities using three levels, as follows:

- Level 1 – valued using quoted prices in active markets for identical assets
- Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

All financial assets and liabilities measured at fair value through profit or loss, comprising wholly of investments, are classified as Level 1. There have been no transfers between Level 1, 2 or 3 in the current or prior year.

Judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgement:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Cavendish Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015

Tangible fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost less residual value of each asset, over their estimated useful life at the following annual rates:

Furniture and fittings	- 20% on written down value
Computer equipment	- 40% on written down value
Office equipment	- 20% on written down value
Motor vehicles	- 25% on written down value

Cavendish Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

Valuation of investments

The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through profit and loss. In determining this amount, the company follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Listed investments are valued at the quoted bid price at the reporting date. Unquoted investments are valued using a price/earnings multiple methodology. The relevant price/earnings multiple is determined by reference to those applying to quoted companies in similar industries after adjustment for the reduced liquidity of unquoted companies. This multiple is then applied to the earnings of the investee company in the period, after adjustments for one-off unusual income or expenditure in the period.

Revenue recognition

Turnover represents fee income in respect of portfolio management. Fees are based on funds under management and recognised when due.

Country of incorporation

Cavendish Asset Management Limited is incorporated in the United Kingdom.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date except for deferred tax assets which are only recognised to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Foreign currencies

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences on translation are taken to the statement of income.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Holiday pay accrual

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

Cavendish Asset Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (Continued)

3 Employees

	2015 £	2014 £
Wages and salaries	1,989,312	1,809,424
Social security costs	238,095	221,907
Employers pension contributions	142,855	135,527
	<u>2,370,262</u>	<u>2,166,858</u>

The average number of staff employed by the company during the financial year amounted to:

	2015 Number	2014 Number
Number of trading staff	10	10
Number of administrative staff	7	7
Number of marketing staff	4	4
	<u>21</u>	<u>21</u>

4 Profit on ordinary activities before taxation

	2015 £	2014 £
This is arrived at after charging:		
Depreciation	31,031	24,410
Directors' remuneration	16,000	16,000
Fees payable to the company's auditors for the audit of the company's annual accounts	33,000	32,000
Audit related assurance services	30,847	22,439
	<u>100,878</u>	<u>94,849</u>

Amounts of £35,000 (2014 - £35,000) are payable to a fellow group undertaking in relation to the services of a director.

5 Interest receivable

	2015 £	2014 £
Bank interest receivable	7,998	8,411
	<u>7,998</u>	<u>8,411</u>

6 Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	10,173	11,111
	<u>10,173</u>	<u>11,111</u>

Cavendish Asset Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*Continued*)

7 Taxation on loss on ordinary activities

	2015 £	2014 £
(a) <i>Analysis of tax charge in the year</i>		
UK corporation tax at current rates	-	-
(b) <i>Reconciliation of tax expense</i>		
Profit (Loss) on ordinary activities before tax	(71,213)	130,455
The actual tax on the result on ordinary activities differs from the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	(14,421)	28,048
Expenses not deductible for tax purposes	1,293	2,383
Capital allowances for period in excess of depreciation	-	-
Dividend	-	-
	(13,128)	30,430
Group relief claimed surrendered	11,957	(25,769)
Change in tax rates	(497)	(422)
Taxation charge on ordinary activities	(1,668)	4,239
Deferred Tax		
Deferred Tax (asset) liability at the start of period	6,271	2,032
Charge for period	(1,041)	4,336
Adjustment in respect of previous periods	0	0
Change in tax rates	(627)	(97)
Deferred Tax (asset) liability at end of period	4,603	6,271
The closing deferred tax provision is in respect of:		
Accelerated capital allowances	(4,596)	(3,207)
Other timing differences	9,200	9,478
Deferred Tax (asset) liability at end of period	4,603	6,271

Cavendish Asset Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (Continued)

8 Tangible assets

	Office equipment £	Furniture and fittings £	Computer Equipment and software £	Motor Vehicles £	Total £
<i>Cost</i>					
At the beginning of year	42,448	35,384	211,845	121,855	411,532
Additional	-	-	-	64,584	64,584
Transfer to group undertaking	-	-	-	(41,993)	(41,993)
At end of year	42,448	35,384	211,845	144,446	434,123
<i>Depreciation</i>					
At beginning of year	33,710	32,646	200,330	70,397	337,083
Transfer to group undertaking	-	-	-	(27,346)	(27,346)
Charge for the year	1,747	548	4,606	24,130	31,031
At end of year	35,457	33,194	204,936	67,181	340,768
<i>Net book value</i>					
At 31 December 2015	6,991	2,190	6,909	77,265	93,355
At 31 December 2014	8,738	2,738	11,515	51,458	74,449

9 Debtors

	2015 £	2014 £
Trade debtors	1,320,330	788,091
Amount due from fellow subsidiary undertakings	54,254	-
Prepayments and accrued income	98,329	124,496
	1,472,913	912,587

All amounts shown fall due for payment within one year.

Cavendish Asset Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 *(Continued)*

10 Investments

	2015 £	2014 £
OEICs Investments	121,141	117,421

11 Cash at bank and in hand

	2015 £	2014 £
Cash at bank and in hand	2,739,332	3,034,908

At 31 December 2015 the company held at its bankers, client funds of £100,666,491 (2014 - £125,167,440) which have not been included above (see note 12 below)

12 Creditors: amounts falling due within one year

	2015 £	2014 £
Other creditors	534,929	545,629
Taxation and social security	7,234	8,809
Accruals	737,803	294,870
Amount due to fellow subsidiary undertakings	116,205	188,274
	1,396,171	1,037,171

Creditors exclude £100,666,491(2014 - £125,167,440) due to clients. These monies are held in client accounts at the company's bankers (see note 11 above).

13 Ordinary share capital

	2015 £	2014 £
<i>Issued and fully paid</i>		
2,000,000 ordinary shares of 10p each	200,000	200,000

Cavendish Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

14 Reserves

Profit and loss account – This reserve records retained earnings and accumulated losses.

15 Client assets

The value of clients' assets (other than cash) which were in the possession of the company or held to the order of clients' at 31 December 2015 amounted to £1,216,538,048(2014: £1,040,583,991).

16 Ultimate parent undertaking

The company's ultimate undertaking is LFH International Limited which is registered in the Cayman Islands. The company's ultimate UK parent undertaking is L51N Limited which is registered in England. The company's immediate parent undertaking is Lewis Trust Group Limited which is registered in England.

L51N Limited is the smallest, and the largest, group of which the company is a member and for which publicly available group accounts are prepared. Copies of the financial statements of L51N Limited can be obtained from Chelsea House, West Gate, London W15 1DR.

17 Transition to FRS 102

These are the first Financial Statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

	Shareholders funds 2013	Profit for the year 2014	Shareholders funds 2014
	£	£	£
As previously stated under former UK GAAP	2,998,753	124,245	3,122,998
Adjustment to fair value of investments	41,179	6,210	47,389
Adjustment to Holiday pay accrual	(68,604)	-	(68,604)
As stated in accordance with FRS 102	<u>2,971,328</u>	<u>130,455</u>	<u>3,101,783</u>

Investments, which were previously held at cost, have been restated at fair value. The restatement had the effect of increasing retained earnings, at the date of transition, with an unrealised gain of £41,179. A further unrealised gain of £6,210 arose on these investments during 2014 giving rise to a total unrealised gain of £47,389 at the end of 2014.