

Company No: 04006741

STONEHAGE FLEMING (UK) LIMITED

Annual Report & Financial Statements

FOR THE YEAR ENDED
31 March 2019

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CONTENTS

	Page
Company Information	I
Strategic Report	2
Directors' Report	5
Independent Auditors' Report	7
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12, 14
Company Statement of Changes in Equity	13, 15
Consolidated Cash Flow Statement	16
Notes to the Financial Statements	17

COMPANY INFORMATION

DIRECTORS

M E T Davies (Chairman)
D F Fletcher
K D Munday
A H Sternberg
G D Wainer

All of the above directors are Executive

COMPANY SECRETARY

K D Munday

REGISTERED OFFICE

15 Suffolk Street
London
SW1Y 4HG

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

REGISTERED NUMBER

04006741

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their Strategic Report of the Stonehage Fleming (UK) Limited Group ("Group") and of the Company for the year ended 31 March 2019.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Revenue was 13% higher than the previous year and this rate of growth is forecast to be maintained. This follows the 11% revenue growth achieved in the previous year. Despite this revenue growth the Group's operating profit of £1.8m was only £0.7 million higher than the previous year due to certain specific cost related factors. The fees charged by the Stonehage Fleming Group for management and other services increased by £4.9m reflecting both the absolute and relative growth of the UK businesses, the impact of continued ongoing investment in systems and significant costs incurred in relation to the strategic partnership with Caledonia Investments Plc. In addition, the current year saw £1.3 million of gains in respect of the sale of investments.

On 21 December 2018 the Group's controlling party Stonehage Fleming Family and Partners Limited ("SFFP") announced that it had reached agreement with Caledonia Investments Plc "Caledonia" on the terms of a strategic partnership. This is to be achieved by Caledonia acquiring a 36.73% shareholding in the SFFP from shareholders. SFFP will also return approximately £41.0 million of capital to shareholders. Both transactions are conditional on regulatory approvals. At the date of these financial statements all regulatory approvals had not yet been received.

This year the Group adopted IFRS 15 'Revenue from Contracts with Customers' with effect from 1 April 2018. IFRS 15 allows companies to present net the costs of a third party who provides services to a customer as an agent of the company against the associated revenue. The Group has applied this presentation and has reclassified £2.9 million of revenue in the year ended 31 March 2018 against the associated agent costs which are presented within operating expenses. Credits, price concessions and other items impacting variable consideration are included within the determination of the transaction price under IFRS 15. As a result the Group has reclassified £1.1 million of such costs in the year ended 31 March 2018 into revenue. The two reclassifications have resulted in a reduction in revenue and operating expenses of £4.0 million.

Group assets under management and administration were £7.5 billion at 31 March 2019, compared to £7.1 billion at 31 March 2018.

Outlook

The underlying result of the Group is expected to improve in the next year on the back of continued revenue growth. Whilst costs are forecast to rise, primarily reflecting the impact of budgeted new hires and the continued investment in systems, they are expected to do so at a lower rate than revenue.

Key performance indicators

The Directors view the following as the key drivers of business success:

- Growth in recurring revenues;
- Investment performance and retention of profitable funds under management and administration; and
- Increase in shareholder returns as measured by growth in earnings per share.

Recurring revenues

Recurring revenues, namely income from investment management and trust services activities, increased this year.

Funds under management and investment performance

There were no material client losses during the year in our discretionary investment management businesses. The investment performance of the Group's core investment offerings was satisfactory. In addition, the level of discretionary funds under management increased during the year.

Shareholder returns

Earnings per share were 0.37 pence per share, compared to 0.18 pence per share in the previous year.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

Principal risks and uncertainties

The Group faces a number of risks in its business, some of which are specific to the Group and others to the financial services markets in which it operates. The Board of the Company meets regularly to review and monitor the risks facing the Group, including the countries in which the Group operates and the political, economic and other risks arising therefrom. The principal business risks to which the Group is exposed include the following:

Investment risk - Movements in the value of investments managed for clients have a direct impact on the Group's revenue. Furthermore, if the Group fails to satisfy clients' investment objectives this could lead to client losses and impede new business success, thereby potentially leading to a risk of concentration of clients.

The Group has clear processes for investment decision making and monitoring. These are reviewed on a regular basis to ensure they best serve the needs of our clients.

Regulatory risk - The Group operates in several regulated markets. Failure to comply with the regulatory requirements could lead to disciplinary action, financial penalties and reputational damage.

The Group ensures that its compliance function is adequately and appropriately resourced to remain compliant with current regulations and aware of changing regulatory developments.

The Group's current level of capital remains in excess of its regulatory requirement.

Operational risk - Operational risk arises from the risk of losses resulting from inadequate or failed internal processes, people or systems, or from external events. This could result in human errors or exposure of the Group to operational and/or fiduciary risk.

The Group has contractual arrangements with a limited number of key outsourced service providers. The daily operation of these arrangements is governed by detailed service level agreements.

The Group has put in place policies and procedures designed to minimise these risks, and these are regularly reviewed. The Group monitors the performance of its controls and its adherence to its policies and procedures.

In addition, although the business is not dependent on complex IT systems, there is a degree of exposure to systems failure. Business continuity plans have been established to respond to severe business disruptions and are periodically tested.

Employee risk - The quality and commitment of the Group's employees is critical to its business success. The Group seeks to ensure that it recruits the highest calibre staff whilst ensuring that its culture is maintained.

The Stonehage Fleming Family & Partners Limited Group Incentive Scheme seeks to align the economic interests of key staff with clients and shareholders.

Other risks

Currency risk - A material portion of the Group's turnover and assets are denominated in US Dollars. Substantially all of the Group's expenses and liabilities are denominated in Sterling. The Group ensures that the exposure to net assets held in foreign currency is monitored and managed as appropriate.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

Market risk - Market risk arises from adverse changes to the value of positions or portfolios arising from changes in market prices, interest rates or exchange rates.

The Group does not undertake any principal trading for its own account. As a result it is not exposed to significant market risk from its own activities. The majority of the Group's income derives from ad valorem fees earned on assets managed or administered for clients. While market movement risks affecting portfolios lie with the clients, income received by the Group is affected by the impact of movements in securities markets on the values of the underlying clients' assets. It is not currently the policy of the Group generally to seek to reduce the exposure of the Group to such movements through hedging mechanisms. The Group does not guarantee returns on portfolios.

Credit risk - Credit risk is the risk of financial loss arising from a client or other counterparty failing to meet its obligations to repay outstanding amounts as they fall due. Cash at bank represents a significant element of the Group's net assets. It is the Group's policy to hold such assets at a small number of high quality financial institutions.

The exposure to credit risk in respect of investment management and trust services is minimised by the contractual ability, in a significant number of cases, to collect fees from clients' assets under management or administration.

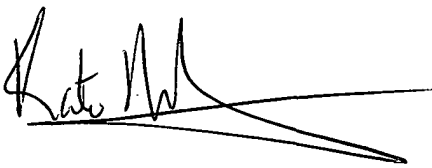
Advisory fees typically bear a higher level of credit risk. Significant advisory mandates are only entered into following appropriate approval from Group Management.

Client & jurisdiction concentration risk - The merger of the Stonehage and Fleming groups has reduced the Group's concentration on a small number of clients and this is expected to continue to reduce.

Liquidity risk - Liquidity risk is the risk that, in the short term, the Group has insufficient liquid assets to meet its payment obligations as they arise. The Group's liquidity policy is to maintain assets in such proportion and type as will, at all times, enable it to meet its liabilities as they arise.

Brexit risk - In the UK the Stonehage Fleming group has established a Brexit committee to monitor developments and it has identified a number of specific risks related to Brexit, specifically potential obstacles in respect of pursuing business opportunities within the European Union. This committee will also recommend actions to mitigate any material risks that appear likely to crystallise as the Brexit negotiations progress. At present there remains significant uncertainty as to the final outcome of the Brexit negotiations and this uncertainty is currently expected to continue.

Approved by the Board of Directors on 11 July 2019 and signed by its order by:



K D Munday
Company Secretary
11 July 2019

Stonehage Fleming (UK) Limited
Registered Number 04006741

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their report and the audited consolidated financial statements of the Stonehage Fleming (UK) Limited Group ("Group") and of the Company for the year ended 31 March 2019.

Incorporation

The Company was incorporated in England and Wales on 2 June 2000 as a private company limited by shares and is domiciled in the United Kingdom.

Principal activities

The principal activity during the year was that of a multi-family office group comprising investment management, corporate finance and other family office services. The Group intends to continue to operate with this principal activity during the next financial year.

The Group has a number of subsidiaries which are regulated by the Financial Conduct Authority ("FCA").

Pillar III

In accordance with the rules of the FCA the Group has published information on its risk management objectives and policies and on its regulatory capital requirements and resources. This information is available on the Group's website (www.stonehagefleming.com) or on application to the Company Secretary at the Group's registered address.

Results and dividends

For the year ended 31 March 2019, the Group reported turnover of £32.6 million (2018: £29.0 million) and an operating profit of £1.8 million (2018: profit £1.1 million) before interest and tax. The profit after taxation was £1.7 million (2018: profit of £0.8 million). Consolidated net assets as at 31 March 2019 were £19.4 million (2018: £25.7 million). Net asset value per share was 4.3 pence per ordinary share (2018: 5.7 pence per ordinary share).

The return on assets, being the consolidated net result after tax and minority interests divided by the consolidated net assets, was 8.6% (2018: 3.2%).

During the year the Directors declared and paid dividends of £8 million (2018: 3.15 million).

Directors

The Directors of the Company who were in office during the year and up to the date of signing of this report are listed on page 1.

Employees

The Stonehage Fleming (UK) Limited Group is an equal opportunities employer and seeks to develop its employees via in-house and external training schemes.

Remuneration Policy

A clear and transparent remuneration policy is essential for employees, clients and shareholders to be confident that the governance of remuneration is consistent with best practice and promotes sound and effective risk management.

The Directors have overall responsibility for remuneration within the Group, delegated to the Remuneration Committee ("RemCo") of Stonehage Fleming Family & Partners Limited, to address all matters relating to remuneration to ensure sound policies and their consistent application. For example, RemCo ensures that remuneration arrangements do not raise the level of risk by encouraging inappropriate practices.

The Board recognises the importance of an effective remuneration policy in order to attract, motivate and retain individuals of the necessary ability and experience and to reward individuals both on an annual basis and over the long term for their contributions to the success of the underlying businesses and the overall Group. A formal performance appraisal process is carried out across the Group annually and individuals are evaluated against the personal objectives they have been set for the year under review.

Employee remuneration comprises both fixed and variable elements. The fixed element comprises a basic salary and pension entitlement. The variable element comprises an annual profit share. Where appropriate, some of the annual profit share may be deferred. Employee equity ownership is considered to be an important element of the remuneration package for Senior Executives and this is achieved through the granting of share options in Stonehage Fleming Family & Partners Limited shares.

The Group is classified by the FCA as a Level 3 firm and thus the FCA Remuneration Code does not apply in full to the Group. However, RemCo annually reviews and approves the Remuneration Policy Statement, the list of Code Staff and their remuneration and monitors to ensure the Group adheres to the basic principles set out in the FCA Remuneration Code. In addition RemCo will ensure that the Remuneration Policy Statement is consistent with the relevant terms of the Alternative Investment Fund Managers (AIFM) Remuneration Code.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

Going concern

The Directors believe that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the notes to the financial statements.

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and parent company and of the profit or loss of the group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and IFRSs as adopted by the European Union have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

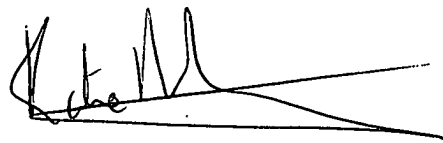
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors on 11 July 2019 and signed by its order by:



K D Munday
Company Secretary
11 July 2019

Stonehage Fleming (UK) Limited
Registered Number 04006741

Independent auditors' report to the members of Stonehage Fleming (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Stonehage Fleming (UK) Limited's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's profit and cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2019; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent 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.

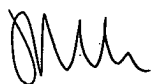
Other required reporting

Companies Act 2006 exception reporting

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 kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jennifer March (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 July 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

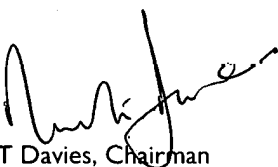
	Note	2019 £'000	2018 £'000
Revenue	2	32,584	28,950
Operating expenses	3	(31,732)	(27,590)
Gains on the sale of investments		1,334	22
Losses on the fair value of investments		(203)	(284)
Credit impairment losses on financial assets		(168)	(7)
Share of operating profit of joint ventures and associates		-	25
Operating profit	3	1,815	1,116
Finance income		67	37
Profit on ordinary activities before taxation		1,882	1,153
Income tax expense	6	(208)	(331)
Profit for the financial year after taxation		1,674	822
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to equity		1,674	822
Earnings per share expressed in pence per share	8		
- Basic		0.37	0.18
- Diluted		0.37	0.18

The notes to the financial statements on pages 17 to 42 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2019

	Note	Group 2019 £'000	Group 2018 £'000
Assets			
Non-current assets			
Investments held at fair value through profit and loss	9	3,350	4,641
Deferred tax	14	851	851
Trade and other receivables – financial assets at amortised cost	11	-	900
Interest in joint ventures and associates	9	5	5
		4,206	6,397
Current assets			
Investments held at fair value through profit and loss	10	708	808
Trade and other receivables: amounts falling due within one year	11	3,217	2,771
Accrued income and work in progress	11	7,228	7,941
Cash and cash equivalents		11,094	12,123
		22,247	23,643
Total assets		26,453	30,040
Non-current liabilities			
Provisions	13	-	(300)
Deferred tax	14	-	-
		-	(300)
Current liabilities			
Trade and other payables: amounts falling due within one year	12	(7,069)	(4,030)
Deferred income		-	-
Total liabilities		(7,069)	(4,330)
Net assets		19,384	25,710
Equity			
Called up share capital	18	4,486	4,486
Share premium account	19	-	-
Capital redemption reserve	20	3,750	3,750
Other distributable reserves	21	419	8,419
Retained earnings		10,729	9,055
Total equity		19,384	25,710

The financial statements on pages 9 to 42 were approved by the Board of Directors on 11 July 2019 and were signed on its behalf by:



M E T Davies, Chairman



D F Fletcher, Director

The notes to the financial statements on pages 17 to 42 form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2019

	Note	Company 2019 £'000	Company 2018 £'000
Assets			
Non-current assets			
Investments held at fair value through profit and loss	9	8,807	15,578
Deferred tax	14	851	851
Trade and other receivables: amounts falling due after more than one year	11	-	300
Interest in joint ventures and associates	9	5	5
		9,663	16,734
Current assets			
Trade and other receivables: amounts falling due within one year	11	1,623	55
Accrued income and work in progress	11	331	507
Cash and cash equivalents		1,061	422
		3,015	984
Total assets		12,678	17,718
Non-current liabilities			
Provisions	13	-	(300)
Trade and other payables: amounts falling due after more than one year	12	-	(300)
		-	(600)
Current liabilities			
Trade and other payables: amounts falling due within one year	12	(40)	(106)
Total liabilities		(40)	(706)
Net assets		12,638	17,012
Equity			
Called up share capital	18	4,486	4,486
Share premium account	19	-	-
Capital redemption reserve	20	3,750	3,750
Other distributable reserves	21	419	8,419
Retained earnings/(accumulated losses) at 1 April		357	(1,646)
Profit for the year		3,626	2,003
Retained earnings/(accumulated losses) at 31 March		3,983	357
Total equity		12,638	17,012

The financial statements on pages 9 to 42 were approved by the Board of Directors on 11 July 2019 and were signed on its behalf by:



M E T Davies, Chairman



D F Fletcher, Director

The notes to the financial statements on pages 17 to 42 form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Called up Share capital	Share premium account	Capital redemption reserve	Other distributable reserves	Retained earnings	Total equity attributable to shareholders
	£000's	£000's	£000's	£000's	£000's	£000's
Total equity at the start of the year	4,486	-	3,750	8,419	9,055	25,710
Profit for the year	-	-	-	-	1,674	1,674
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,674	1,674
Transactions with owners in their capacity as owners						
Dividends	-	-	-	(8,000)	-	(8,000)
Total equity at the end of the year	4,486	-	3,750	419	10,729	19,384



COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Called Up Share capital	Share premium account	Capital redemption reserve	Other distributable reserves	Retained earnings	Total equity attributable to equity holders of the parent
	£000's	£000's	£000's	£000's	£000's	£000's
Total equity at the start of the year	4,486	-	3,750	8,419	357	17,012
Profit for the year	-	-	-	-	3,626	3,626
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	3,626	3,626
Transactions with owners in their capacity as owners						
Dividends	-	-	-	(8,000)	-	(8,000)
Total equity at the end of the year	4,486	-	3,750	419	3,983	12,638



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called up Share capital	Share premium account	Capital redemption reserve	Other distributable reserves	Retained earnings	Total equity attributable to equity holders of the parent £000's	Non- controlling interest	Total equity attributable to shareholders £000's
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total equity at the start of the year	4,486	11,569	3,750	-	8,233	28,038	48	28,086
Profit for the year	-	-	-	-	822	822	-	822
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	822	822	-	822
Capital restructuring	-	(11,569)	-	11,569	-	-	-	-
Transactions with owners in their capacity as owners								
Transactions with non-controlling interests	-	-	-	-	-	-	(48)	(48)
Dividends	-	-	-	(3,150)	-	(3,150)	-	(3,150)
Total equity at the end of the year	4,486	-	3,750	8,419	9,055	25,710	-	25,710



COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called Up Share capital	Share premium account	Capital redemption reserve	Other distributable reserves	(Accumulated losses)/retained earnings	Total equity attributable to equity holders of the parent
	£000's	£000's	£000's	£000's		£000's
	£000's				£000's	
Total equity at the start of the year	4,486	11,569	3,750	-	(1,646)	18,159
Profit for the year	-	-	-	-	2,003	2,003
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,003	2,003
Capital restructuring	-	(11,569)	-	11,569	-	-
Transactions with owners in their capacity as owners						
Dividends	-	-	-	(3,150)	-	(3,150)
Total equity at the end of the year	4,486	-	3,750	8,419	357	17,012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Group 2019 £'000	Group 2018 £'000
Operating activities		
Profit on ordinary activities before taxation	1,882	1,153
Adjustments for:		
Profit on disposal of fixed asset investments	(1,930)	(60)
Loss on disposal of joint venture	-	38
Loss on disposal of investment in shares of Stonehage Fleming Family & Partners Limited	596	-
Interest receivable	(67)	(37)
Revaluation of non-current asset investments	103	231
Revaluation of current asset investments	100	53
Share of profit of a joint venture	-	(25)
	684	1,353
Changes in working capital		
Decrease in trade and other receivables	1,986	5,062
Increase/(decrease) in trade and other payables	3,046	(2,982)
Decrease in provisions	(300)	(133)
Interest received	67	37
Income tax paid	(1,034)	(105)
Net cash flow generated from operating activities	4,449	3,232
Cash flow from investing activities		
Proceeds from disposal of non-current investments	2,588	986
Payments to acquire non-current asset investments	(66)	(244)
Payments to acquire current asset investments	-	(8)
Distribution from joint venture	-	25
Proceeds from disposal of joint venture	-	2
Net cash flow generated from investing activities	2,522	761
Cash flow from financing activities		
Net cash disposed of with a non-controlling interest	-	(14)
Dividends paid to minority shareholders	-	(34)
Dividends paid	(8,000)	(3,150)
Net cash outflow used in financing activities	(8,000)	(3,198)
Net (decrease)/increase in cash and cash equivalents	(1,029)	795
Cash and cash equivalents at 1 April	12,123	11,328
Cash and cash equivalents at 31 March	11,094	12,123

The notes to the financial statements on pages 17 to 42 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

I. Principal accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Stonehage Fleming (UK) Limited and its subsidiaries.

a) Basis of preparation

Compliance with IFRS

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006.

Compliance with FRS 101

The financial statements of the Company have been prepared under FRS 101. This is the first year of adoption of FRS 101 and as a result of the change, there have been no changes to the classification, measurement or presentation of the carrying value of assets and liabilities in the statement of financial position. As allowed under FRS 101, the Company has chosen to adopt the exemption available in FRS 101 from preparing a cash flow statement for the Company.

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- certain financial assets and liabilities - measured at fair value

New standards adopted by the Group

The Group has applied the following standards for the first time for the annual reporting period commencing 1 April 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

Impact on the financial statements

IFRS 9 Financial Instruments

The standard was published in July 2014 and replaced guidance in IAS 39 'Financial Instruments': Recognition and Measurement. IFRS 9 includes revised guidance on classification and measurement of financial instruments, including an expected credit loss model for calculating impairment on financial assets.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 asset categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial assets and liabilities and has had no impact on the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1. Principal accounting policies (continued)

The following table and notes explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 1 April 2018.

Financial Assets balance at 1 April 2018	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 £'000	New carrying amount under IFRS 9 £'000
Non-current investments held at fair value	9	Fair Value	Fair Value	4,641	4,641
Non-current trade and other receivables	11	Loans and receivables	Financial assets at amortised cost	900	900
Current investments held at fair value	10	Fair Value	Fair Value	808	808
Current trade and other receivables	11	Loans and receivables	Financial assets at amortised cost	2,771	2,771
Accrued income and work in progress	11	Loans and receivables	Financial assets at amortised cost	7,941	7,941
Cash and cash equivalents		Loans and receivables	Financial assets at amortised cost	12,123	12,123
Short term trade payables	12	Other financial liabilities	Financial liabilities at amortised cost	4,030	4,030
Deferred income	12	Other financial liabilities	Financial liabilities at amortised cost	-	-
Provisions	13	Other financial liabilities	Financial liabilities at amortised cost	300	300

The Group implemented IFRS 9 on 1 April 2018. IFRS 9 did not have a material impact on the consolidated financial statements for:

- Classification and measurement or
- Loss allowances

The Group recognises a loss allowance when a debtor has not made contractual payments for a period of greater than 365 days past due. The Group considers this methodology to be materially consistent with a loss allowance calculated using the simplified expected loss model under IFRS 9 which uses a lifetime expected loss allowance. The Group considers that forward looking information such as macroeconomic factors will have an immaterial impact on the expected credit losses of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

I. Principal accounting policies (continued)

No restatement of the prior year financial statements has been necessary as a result of the application of IFRS 9. Credit impairment losses are now presented on the face of the Statement of Comprehensive Income. Movements in the provision for credit impairment losses were previously recognised within operating expenses. These costs have been presented under a line credit impairment losses of £7,000 for the year ended 31 March 2018. As a result a reclassification of £7,000 has been made to reduce operating expenses in the year ended 31 March 2018. There is no impact on the profit for the current and prior year in the Statement of Comprehensive Income.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers', published in May 2014, established a framework for determining whether, how much and when revenue is recognised. It replaced guidance, including IAS 18 'Revenue' and IAS 11 'Construction Contracts' and was implemented by the Group with effect from 1 April 2018.

The Group has applied the modified retrospective approach for this standard. The adoption of this standard has not required a cumulative adjustment to retained earnings as of 1 April 2018. IFRS 15 allows companies to present net the costs of a third party who provides services to a customer as an agent of the company against the associated revenue. The Group has applied this presentation and has reclassified £2.9 million of revenue in the year ended 31 March 2018 against the associated agent costs which are presented within administration expenses.

Credits, price concessions and other items impacting variable consideration are included within the determination of the transaction price under IFRS 15. As a result the Group has reclassified £1.1 million of such costs in the year ended 31 March 2018 into revenue. The two reclassifications have resulted in a reduction in revenue and operating expenses of £4.0 million.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group, its subsidiaries, associates and joint ventures as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of the voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

In the parent company's balance sheet, subsidiaries are accounted for at cost less any impairment that is required in the opinion of the Directors. The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, except for certain investments that have been measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

I. Principal accounting policies (continued)

c) Associates

Investments in an associate are accounted for by the equity method of accounting. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is tested annually for impairment. The share of profit of an associate is recognised in the income statement. This is profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

d) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 4. The Strategic Report describes the financial position of the Group and the principal risks to the business.

The Group meets its day to day working capital requirements through its cash resources. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current cash resources.

The Directors believe that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

e) Turnover

Upon the adoption of IFRS 15 the Group reviewed its revenue streams, identified performance obligations and the transaction price of contracts and determined if revenue should be recognised over time, using the input method or as the performance condition is met. The following is a summary of the review:

	Nature	Revenue recognition	Judgements	Cash flows
Investment Business	Investment advice, admin and custody fees and fund management fees are based on a % of AUM	Satisfies performance obligation over time	Accrued income based in part on prior quarters invoice and changes in market Accrued fee income based in part on prior quarter's receipts	Largely deducted from client portfolios after billing
	Execution fees	Performance at a point in time		
	Performance fees	Performance at a point in time		
Advisory Business	Corporate advisory	Satisfies performance obligation over time	Valuation of non-cash remuneration	Payment terms are 30 days from receipt of invoice
	Transaction success fees	Performance at a point in time		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

I. Principal accounting policies (continued)

f) Accrued income and work in progress

Accrued income and work in progress represents the billable provision of services to clients which has not been invoiced at the reporting date. Accrued income and work in progress is recorded based on agreed fees billed in arrears and time based charges at the agreed charge out rates in force at the work date. Management assesses the recoverability of accrued income and work in progress on an individual basis using the judgement of management and taking into account an assessment of the client's financial position, the aged profile of the client's trade debtors and historical recovery rates. A specific provision is made against the value of any accrued income or work in progress where recovery will not be made in full.

g) Deferred revenue

Fees in advance and up-front fees in respect of services due under contract are time apportioned to the respective accounting periods, and those billed but not yet earned are included in deferred revenue in the consolidated balance sheet.

h) Operating leases

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Sterling, which is Stonehage Fleming (UK) Limited's functional and presentation currency.

j) Transactions and balances

Assets and liabilities of subsidiaries in foreign currencies are translated into Sterling at the rate of exchange ruling at the end of the financial year and the results of foreign subsidiaries are translated at the average rate of exchange for the year. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies, and from the translation of the results of those companies at the average rate are taken to reserves and are reported in the statement of other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. Monetary assets and liabilities of the Group denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

k) Property, plant and equipment

Furniture, fixtures and fittings are stated at their purchase price, including any incidental expenses of acquisition. Depreciation is calculated, using the straight line method, to write off the cost or valuation less residual values over the expected useful economic lives of the assets concerned. Computer equipment is depreciated on a straight-line basis over two to five years.

Leasehold improvements are depreciated over ten years or the remaining length of the lease if shorter. All other fixed assets including furniture, fixtures and fittings are depreciated over four to eight years with the exception of some capitalised project expenditure which is depreciated over up to ten years. Antiques are not depreciated but are reviewed annually for impairment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

I. Principal accounting policies (continued)

l) Pensions

The pension cost recognised in the statement of comprehensive income represents the contributions payable to defined contribution pension schemes.

m) Share-based payments

Prior to the merger of the Stonehage and Fleming groups in January 2015 the Company operated a Long Term Incentive Plan. The cost of share-based employee remuneration, whereby executive directors and employees may receive conditional awards of deferred shares in the Company, is charged to the profit and loss account over the vesting period of the awards. The total expense to be charged over the vesting period is determined by reference to the fair value of the awards at the grant date and the number that are expected to vest. The assumptions regarding the number of awards expected to vest are reviewed at each balance sheet date. Provision is made for Employer's National Insurance contributions payable at the balance sheet date on the basis of the expected vesting and the value of the Company's shares at that date.

n) Investments

Fixed asset investments in private equity funds and current asset investments are categorised as financial assets held at fair value through profit or loss. They are carried in the statement of financial position at fair value with net changes in the fair value shown through profit or loss. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fixed asset investments in investment limited partnerships and seed investments in various investment funds are shown at cost less provision for any impairment.

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired.

o) Interest in unconsolidated structured entities

Structured entities include entities that are designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when the relevant activities are directed by means of a contractual relationship.

As the Group directs the investing and operating activities of a number of investment vehicles and funds through investment management and other agreements, it considers them to be structured entities. The Group's interests in these investment vehicles and funds include the investment management and investment advisory fees that it earns from them.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

I. Principal accounting policies (continued)

p) Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income.

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

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

q) Employee Share Trust

The Stonehage Fleming (UK) Employee Share Trust owned shares in the Company prior to the merger in January 2015. The consideration paid for these shares was accounted for as own shares and was deducted in arriving at shareholders' funds. As a result of the merger the shares were exchanged for shares in Stonehage Fleming Family and Partners Limited and were reclassified to investments. Other assets and liabilities of the Stonehage Fleming (UK) Employee Share Trust are recognised as assets and liabilities of the Company. Any dividend income arising on own shares was excluded in arriving at profit before tax and deducted from the aggregate of dividends paid and proposed.

r) Provisions

Provisions are recognised when the Group 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 can be reliably estimated.

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. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions for bad debts are raised according to the ageing profile of debtor balances, with additional provisions being raised for specific cases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
(CONTINUED)

I. Principal accounting policies (continued)

s) **Critical accounting estimates and judgements**

The preparation of financial statements requires Management to make estimates and assumptions that affect the reported amounts of turnover, expenses, assets and liabilities. Management also need to exercise judgement in applying the Group's accounting policies. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute Management's best judgement at the date of approving the financial statements. In the future, actual experience could differ from those estimates and such differences could be material.

The estimates and assumptions that could have a significant effect upon the Group's financial results relate to provisions, receivables impairment and revenue recognition, in particular, the recognition of non-cash remuneration for advisory services as set out in Note 10 and the recognition of changes in the fair value of investments in private equity funds as set out in Note 9.

The Directors set appropriate assumptions in forming these judgements and exercise appropriate caution when doing so.

t) **New standards, amendments and interpretations effective after 31 March 2019**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2019 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16 "Leases" is effective for annual periods beginning on or after 1 January 2019. The Group does not hold any operating leases and therefore the adoption of this standard will not impact the Group's Statement of Financial Position or Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

2. Revenue

The Directors consider that the Group has one business segment, financial services. A geographical segmental analysis of turnover, net of the Group's share of turnover of joint ventures and associates, is presented below:

	Group 2019 £'000	Group 2018 £'000
UK (including Channel Islands)	22,864	25,962
Europe	6,436	2,856
Other	3,284	132
	32,584	28,950

3. Operating profit

Administrative expenses of £31.7 million (2018: £27.6 million) include staff costs, rebates, premises and other costs.

Salary costs are not borne directly by the Group but are recharged to the Group by Stonehage Fleming Services Limited. Stonehage Fleming Services Limited charges the Group for central services. This includes audit costs in respect of the Group. Total charges for the year amounted to £26.7 million (2018: £23.6 million), including auditors' remuneration as follows:

	Group 2019 £'000	Group 2018 £'000
Auditors' remuneration		
- audit services – group and company statutory reporting	37	36
- audit services – subsidiary statutory reporting	84	79
- other services – subsidiary audit-related assurance services	165	156

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
(CONTINUED)

4. Directors' emoluments

	2019 £'000	2018 £'000
Aggregate emoluments including costs in respect of Long Term Incentive Plan awards	976	1,178
Company contributions to defined contribution pension schemes	-	6
	976	1,184
Highest paid director		
Total emoluments	225	310
	225	310

Aggregate remuneration includes cash allowances in lieu of pension contributions. Retirement benefits are accruing to no Directors (2018: one) under a defined contribution pension scheme.

5. Employee information

The average monthly number of persons (including Executive Directors) regarded as working in the Group's businesses during the year was as follows:

	2019 Number	2018 Number
Investment Management, Family Office, Private Equity and Corporate Finance	97	89
Group Services	30	25
	127	114

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

6. Income tax expense

	2019 £'000	2018 £'000
Current tax:		
UK Corporation tax on profits of the year	216	260
UK Corporation tax (credit)/charge on profits in respect of the prior year	(8)	26
Total current tax charge for the year	208	286
Origination and reversal of timing differences in respect of the year	-	45
Total deferred tax charge (Note 14)	-	45
Tax on profit on ordinary activities	208	331

The tax assessed for the year is lower (2018: higher) than the standard rate of Corporation tax in the UK 19% (2018: 19%).

The differences are explained below:

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation	1,882	1,153
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 19% (2018: 19%)	358	219
Effects of:		
Minority interest share of profits of limited liability partnerships	67	52
Expenses not deductible for tax purposes	-	4
Overseas taxation at rates less than 19% (2018: 19%)	(14)	(15)
Claim in respect of trading losses brought forward	(209)	-
Group relief of trading losses to other companies in the tax group	14	47
Carry forward trading losses	-	-
Other	-	(12)
General provisions utilised	-	(35)
UK Corporation tax (credit)/charge on profits in respect of the prior year	(8)	26
Origination and reversal of timing differences	-	45
Total tax charge for the year	208	331

Factors that may affect future tax charges

A deferred tax asset of £851,000 (2018: £851,000) and a deferred tax liability of £nil (2018: £nil), see Note 14, have been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

7. Dividends

During the year the Directors declared and paid dividends of £8 million (2018: £3.15 million).

8. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary equity shareholders by the weighted average number of ordinary shares outstanding during the year.

	Group 2019	Group 2018
Weighted average ordinary shares in issue	448,632,711	448,632,711
Diluted number of shares	448,632,711	448,632,711

9. Non-current asset investments held at fair value through profit and loss

Investments in investment limited partnerships and seed investments

	Group 2019 £'000	Group 2018 £'000
Investments		
At 1 April	11	11
Additions	-	-
Disposals	-	-
At 31 March	11	11

Investments in investment liability partnerships and seed investments in various investment funds are stated at cost less provision for impairment. The Directors believe that the carrying values of these investments are supported by their underlying net assets and are materially equivalent to their fair value.

Investments in private equity funds

	Group 2019 £'000	Group 2018 £'000
Investments		
At 1 April	1,855	2,674
Additions	66	244
Disposals	(658)	(832)
Fair value adjustment	(103)	(231)
At 31 March	1,160	1,855

Investments in private equity funds are stated at fair value. The Directors believe that the carrying value of these investments are supported by their underlying net assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

9. Non-current asset investments held at fair value through profit and loss (continued)

Investment in shares of Stonehage Fleming Family & Partners Limited

	Group 2019 £'000	Group 2018 £'000
Investments		
At 1 April	2,775	2,869
Additions	-	-
Disposals	(596)	(94)
At 31 March	2,179	2,775

The investment in Stonehage Fleming Family & Partners Limited is stated at fair value. The shares are held by the Stonehage Fleming (UK) Employee Share Trust. The Directors believe that the carrying value of this investment is supported by its underlying net assets.

Total non-current asset investments held at fair value through profit and loss

	Group 2019 £'000	Group 2018 £'000
Investments		
At 1 April	4,641	5,554
Additions	66	244
Disposals	(1,254)	(926)
Fair value adjustment	(103)	(231)
At 31 March	3,350	4,641

The Group classifies investments in shares of Stonehage Fleming Family & Partners Limited as Level 2 and all other fixed asset investments as Level 3 according to the valuation hierarchy at 31 March 2019. There were no transfers of assets between levels in the fair value hierarchy during 2018 or 2019.

Fair Value

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 March 2019 are as shown below:

	Valuation technique	Significant unobservable inputs	Range	Change in discount +/-	Impact of discount change on valuation +/-, £'000
Unlisted private equity investments, seed investments and membership interests in investment partnerships	EBITDA multiples, Discounted cash flows, Comparable trading multiples	Discount for illiquidity	0%-20%	5%	(59)/59

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

9. Non-current asset investments held at fair value through profit and loss (continued)

The private equity investments are valued in accordance the "Guidance for the valuation and disclosure of venture capital portfolio" published by the British Venture Capital Association. All valuations are considered by the directors of the group companies that hold the investments. The main Level 3 inputs used are as follows:

- Illiquidity discounts
- Comparable trading multiples
- Discounted cash flows
- EBTIDA multiples

	Group 2019 £'000	Company 2019 £'000	Group 2018 £'000	Company 2018 £'000
Interest in joint ventures and associates				
At 1 April	5	5	5	5
At 31 March	5	5	5	5

On 25 April 2016 the Company's wholly owned subsidiary Stonehage Fleming Private Equity Limited sold its entire membership interests in fourteen General Partners to FPE Private Equity LLP (subsequently renamed FPE Capital LLP) for their combined net asset value of £16,452. Stonehage Fleming (UK) Limited has a 49% member's interest in FPE Capital LLP £5,490 (2018: 5,490).

	Company 2019 £'000	Company 2018 £'000
Investments in private equity funds		
At 1 April	52	-
Additions	17	52
Disposals	(1)	-
At 31 March	68	52

	Company 2019 £'000	Company 2018 £'000
Shares in group undertakings		
At 1 April	15,526	17,367
Additions	-	1,500
Intra group settlement	-	-
Write off of dissolved dormant companies	-	(3,247)
Distribution from EBT	-	(94)
Disposals	(4,462)	-
Fair value adjustment	(2,325)	-
At 31 March	8,739	15,526

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

9. Non-current asset investments held at fair value through profit and loss (continued)

Investments in Group undertakings are stated at cost less provision for any impairment. The directors believe that the carrying value of these investments are supported by their underlying net assets.

Principal subsidiaries

The companies listed include all those which, in the opinion of the Directors, principally affect the consolidated result or assets of the Group.

All the companies are wholly owned subsidiary undertakings of the Company, with ownership comprised of 100% of ordinary share capital, except where shown.

Name	Principal activity	Country of incorporation	Country of principal operations
FFP Services Limited	Service company	England & Wales	Great Britain
Stonehage Fleming Investment Management Limited	Investment management	England & Wales	Great Britain
Stonehage Fleming Advisory Limited	Advisory services	England & Wales	Great Britain
Stonehage Fleming Trustee Co. Limited	Trustee services	England & Wales	Great Britain
Stonehage Fleming (Overseas) Limited (i)/(ii)	Holding company	England & Wales	Great Britain
Stonehage Fleming Private Equity Limited	Investment management	England & Wales	Great Britain
FF&P Group Investor LP (iii)/(iv)	Investment	England & Wales	Great Britain
Stonehage Fleming Investment Management (Guernsey) Limited (i)	Investment management	Guernsey	Guernsey

The registered address of all the subsidiaries except Stonehage Fleming Investment Management (Guernsey) Limited is 15 Suffolk Street, London, SW1Y4HG.

The registered address of Stonehage Fleming Investment Management (Guernsey) Limited is 11 New Street, St Peter Port, Guernsey, GY1 2PF.

- (i) Stonehage Fleming (Overseas) Limited owns 100% of Stonehage Fleming Investment Management (Guernsey) Limited.
- (ii) Stonehage Fleming (Overseas) Limited is a 100% wholly owned subsidiary of Stonehage Fleming (UK) Limited.
- (iii) FF&P Group Investor LP is the private equity investment vehicle through which the Group invests in Group private equity funds. Although Stonehage Fleming (UK) Limited does not control FF&P Group Investor LP for accounting purposes FF&P Group Investor LP is regarded as a quasi-subsiary as the Group is its sole investor.
- (iv) Private equity limited partnerships, for which Group subsidiaries are the appointed General Partners, are subsidiary undertakings under the terms of the Companies Act 2006 and should be consolidated. However, the Directors consider that consolidation would not give a true and fair view of the Group since the Group's interest is merely that of investment manager and, with the exception of FF&P Group Investor LP, it has no economic interest in the private equity investment vehicles. This departure has no impact on reported net assets or profit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

10. Current asset investments

	Group 2019 £'000	Group 2018 £'000
Investments in unlisted securities		
At 1 April	808	853
Additions	-	8
Disposals	-	-
Fair value adjustment	(100)	(53)
At 31 March	708	808

Current asset investments are investments in unlisted securities treated as current assets on the basis that they are potentially realisable within twelve months. Investments in AIM listed securities are classified as Level 1 on the valuation hierarchy. All other current asset investments are classified as Level 3. There were no transfers of assets between levels in the fair value hierarchy during 2018 or 2019.

Fair Value

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 March 2019 are as shown below:

	Valuation technique	Significant unobservable inputs	Range	Change in discount +/-	Impact of discount change on valuation +/-, £'000
Unlisted securities/warrants/options	Recent capital raising Recent trade share price	Discount for illiquidity	0%-93%	5%	(91)/91
Convertible loan notes	Recent capital raising	Discount for illiquidity	0%	5%	(15)/15

Valuations are prepared internally. All valuations are considered by the directors of the group companies that hold the investments. The main Level 3 inputs used are as follows:

- Recent capital raising
- Recent trade share price
- Trading histories
- Information provided by the investee companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
(CONTINUED)

11. Trade and other receivables: amounts falling due after more than one year

	Group 2019 £'000	Group 2018 £'000
Amounts owed by group undertakings	-	900
	-	900

	Company 2019 £'000	Company 2018 £'000
Amounts owed by group undertakings	-	300
	-	300

Trade and other receivables: amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000
Trade debtors	739	476
Other debtors	510	69
Corporation tax	853	34
Prepayments	285	210
Accrued income and work in progress	7,228	7,941
Amounts owed by group undertakings	830	1,982
	10,445	10,712

Trade debtors are net of provisions for doubtful debts of £383,000 (2018: £217,000).

	Company 2019 £'000	Company 2018 £'000
Trade debtors	499	-
Amounts owed by group undertakings	660	48
Corporation tax	-	-
Prepayments	-	2
Accrued income and work in progress	331	507
Other debtors	456	5
Other tax receivable	8	-
	1,954	562

Amounts owed by Group undertakings, being inter-company loans, are unsecured, interest free and have no fixed repayment dates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
(CONTINUED)

12. Trade and other payables – amount falling due after more than one year

	Company 2019 £'000	Company 2018 £'000
Amounts owed to group undertakings	-	300
	-	300

Trade and other payables – amount falling due within one year

	Group 2019 £'000	Group 2018 £'000
Trade creditors	12	29
Corporation tax	216	223
Other taxation and social security	261	232
Other creditors	11	31
Deferred income	-	-
Accruals	1,841	1,839
Amounts owed to group undertakings	4,728	1,676
	7,069	4,030

Trade and other payables – amounts falling due within one year

	Company 2019 £'000	Company 2018 £'000
Amounts owed to group undertakings	-	-
Accruals and deferred income	40	106
	40	106

Amounts owed to Group undertakings, being inter-company loans, are unsecured, interest free and have no fixed repayment dates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

13. Provisions

	Group 2019 £'000	Group 2018 £'000
At 1 April	300	433
Released to profit and loss	(300)	(333)
Charged to profit and loss	-	200
At 31 March	-	300

The above provisions include £nil (2018: £300,000) in respect of certain specific non-recurring administration costs.

	Company 2019 £'000	Company 2018 £'000
At 1 April	300	433
Released to the statement of comprehensive income	(300)	(333)
Additions	-	200
At 31 March	-	300

The above provisions include £nil (2018: £300,000) in respect of non-recurring administration costs.

14. Deferred tax

	Group and Company 2019 £'000	Group and Company 2018 £'000
Other timing differences	851	851
Deferred tax asset	851	851
At 1 April	851	896
Deferred tax charge in statement of comprehensive income (Note 6)	-	(45)
At 31 March	851	851

The deferred tax asset relates to carried forward tax losses within the Group. These are primarily derived from Stonehage Fleming (UK) Limited in respect of excess management charges. The Company has incurred the losses over a number of years. The Group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the Company and its subsidiaries. The Company is expected to generate management income which can be used to offset these losses in the future. The losses can be carried forward indefinitely and have no expiry date. Changes in future Corporation tax rates will affect the carrying value of the deferred tax asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

15. Financial risk management

The Group's principal financial liabilities comprise trade and other payables. The Group's principal financial assets include investments, trade and other receivables and cash that derive directly from its operations.

Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

Interest rate risk

The Group's cash balances are exposed to interest rate risk arising from changes in interest rates. Management do not currently operate any hedging policies in respect of this risk. In Management's opinion there are no other significant interest bearing assets or liabilities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's only significant exposure to foreign currencies is to the US Dollar. The Group reviews its foreign exchange exposures and ensures that these are managed as appropriate.

As at 31 March 2019	GBP £'000	USD £'000	EUR £'000	CHF £'000	RND £'000	Other £'000	Total £'000
Net assets	15,072	4,006	292	14	-	-	19,384
Sensitivity analysis							
Assuming a 10% movement in exchange rates against sterling:	-	401	29	1	-	-	431

As at 31 March 2018	GBP £'000	USD £'000	EUR £'000	CHF £'000	RND £'000	Other £'000	Total £'000
Net assets	18,135	7,058	444	73	-	-	25,710
Sensitivity analysis							
Assuming a 10% movement in exchange rates against sterling:	-	706	44	7	-	-	757

Price risk

For some mandates, the Group receives non-cash remuneration in the form of investments, typically shares and other equity related securities. Such income is affected by the impact of movements in the value of the relevant securities. It is not currently the policy of the Group to seek to reduce the exposure of the Group through hedging mechanisms.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and deposits with banks. The Group monitors its credit exposures and ensures that these are managed as appropriate.

Customer credit risk is managed by each business. An impairment analysis is performed at each reporting date on an individual basis for major clients.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

15. Financial risk management (continued)

Cash balances within the Group are held with banks with a minimum credit rating of 'A'.

Impairment of financial assets

The Group has two types of financial assets that are subject to a provision for credit losses:

- Trade receivables for sales
- Accrued income

Trade receivables and work in progress are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due. The Group considers this methodology to be materially consistent with a loss allowance calculated using the simplified expected loss model under IFRS 9 which uses a lifetime expected loss allowance.

The Group considers that forward looking information such as macroeconomic factors will have an immaterial impact on the expected credit losses of the Group. Impairment losses on trade receivables and contract assets are presented as net impairment losses within profit on ordinary activities before taxation. Subsequent recoveries of amounts previously written off are credited against the same line item.

The ageing analysis of gross trade debtors excluding provision is as follows:

	Total £'000	<3 months £'000	3-6 month £'000	6-9 months £'000	9-12 months £'000	>12 months £'000
31 March 2019	1,122	695	8	7	7	405
31 March 2018	693	299	3	-	2	389

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but has not yet been identified. Management considers that there is evidence of impairment if any of the following indicators are present:

- Significant financial difficulties of the debtor
- Default or delays in payment

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2019 £'000	2018 £'000
At 1 April	217	456
Provision for impairment recognised during the year	168	12
Receivables written off during the year as uncollectible	-	(232)
Unused amount reversed	(2)	(19)
At 31 March	383	217

Liquidity risk

Liquidity risk includes the risk that, as a result of liquidity requirements in the future, the Group will be forced to sell financial assets at a potentially unfavourable value or may be unable to exit these positions at all, or the Group will have insufficient funds to settle a transaction on the due date. Management believe this risk is mitigated through proper cash flow management and the existence of sufficient liquid reserves.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

16. Capital structure

The Group's objectives when managing capital remain unchanged and are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- maintain an optimal capital structure; and
- ensure compliance with applicable capital requirements and regulations.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities. The Group considers its capital to be its total equity as shown on the Statement of Financial Position.

The Group is required to undertake an annual Internal Capital Adequacy Assessment Process ("ICAAP") under which the Board of the Group quantifies the level of capital required to meet operational risk. This is a forward looking exercise which includes stress testing for the effects of major risks.

17. Unconsolidated structured entities

IFRS 12 defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Group has exposure to a number of unconsolidated structured entities. These structured entities fall into three categories, namely third party investment funds, private investment mandates and closed end limited partnerships (private equity funds).

Investment funds

The Group manages funds and investment mandates for capital appreciation purposes and earns asset management fees, for these services, from third party funds and private individuals. Certain fees are based on the value of assets under management and as such the Group is exposed to variable returns on the performance of those assets. The Group considers the following as structured entities – Open Ended Investment Companies ("OEICs"), Unit Trusts and pooled funds. Segregated mandates managed on behalf of clients are not considered structured entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

17. Unconsolidated structured entities (continued)

The risk and maximum exposure to loss arising from the Group's involvement with these entities are summarised below:

At 31 March 2019 Statement of Financial Position line item of asset or liability	Carrying Amount			Maximum loss exposure £'000
	Assets £'000	Liabilities £'000	Net £'000	
Trade debtors	78	-	78	78
Accrued income and work in progress	1,095	-	1,095	1,095
Other creditors	-	(78)	(78)	(78)
Total	1,173	(78)	1,095	1,095

At 31 March 2018 Statement of Financial Position line item of asset or liability	Carrying Amount			Maximum loss exposure £'000
	Assets £'000	Liabilities £'000	Net £'000	
Trade debtors	19	-	19	19
Accrued income and work in progress	650	-	650	650
Other debtors	8	-	8	8
Other creditors	-	(27)	(27)	(27)
Total	677	(27)	650	650

The Group earned fee income of £12.98 million (2018: £11.19 million) during the year from investment management fees received from unconsolidated structured entities.

18. Called up share capital

Authorised	Group and Company 2019 £'000	Group and Company 2018 £'000
466,766,500 (2018: 466,766,500) ordinary shares of 1 pence each	4,668	4,668
85,560,000 (2018: 85,560,000) 8% cumulative preference shares of 10 pence each	8,556	8,556
	13,224	13,224
Allotted and called up		
Ordinary shares of x pence each, fully paid		
At 1 April – 448,632,711 (2018: 448,632,711)	4,486	4,486
At 31 March – 448,632,711 (2018: 448,632,711)	4,486	4,486

During the year no ordinary shares were issued for cash (2018: none).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
(CONTINUED)

19. Share premium account

	Group and Company 2019 £'000	Group and Company 2018 £'000
At 1 April	-	11,569
Conversion to other distributable reserves (Note 21)	-	(11,569)
At 31 March	-	-

20. Capital redemption reserve

	Group and Company 2019 £'000	Group and Company 2018 £'000
At 1 April	3,750	3,750
At 31 March	3,750	3,750

21. Other distributable reserves

	Group and Company 2019 £'000	Group and Company 2018 £'000
At 1 April	8,419	-
Creation of other distributable reserves	-	11,569
Dividends	(8,000)	(3,150)
At 31 March	419	8,419

On 16 October 2017 the Board resolved to convert the entire share premium into a new distributable reserve for the same amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

22. Contingencies

The Group can from time to time be party to legal and other claims in the ordinary course of its business. The Directors assess all claims carefully and make provision and/or disclosure as appropriate. In the Board's opinion no provisions or disclosures are necessary in these financial statements beyond those detailed herein (2018: none).

The Group receives certain non-cash remuneration for advisory services either in the form of investments, typically shares and other securities or in the form of contractual rights to future income or profits. In such instances, the revenue is recognised, appropriately, as the fair value of the right to consideration assessing whether the right to consideration does not arise until the occurrence of a future critical event which is outside the control of the Group or the Group's ability to realise an investment is restricted in some way. In forming these judgements the directors exercise appropriate caution when considering the range of possible outcomes.

23. Related party disclosures

Group related party disclosures

The table below sets out the amounts payable, amounts receivable and balance due to or payable by the Group in respect of all related party transactions.

		Income from related parties £'000	Expenses to related parties £'000	Amounts owed by related parties * £'000	Provisions and amounts owed to related parties * £'000
Parent Company	2019	1,050	9,389	-	4,622
	2018	-	5,900	1,045	207
Entities with significant influence over the entity**	2019	-	-	-	-
	2018	-	-	-	-
Fellow subsidiaries	2019	56	18,166	830	106
	2018	10	18,451	1,837	1,469
Key management personnel of the Company or its Parent ***	2019	-	-	-	-
	2018	-	-	122	-

* These amounts are classified as trade receivables and trade payables, respectively (see Notes 11 and 12).

**Entities with significant influence over the entity are considered to be entities that control the Parent Company either directly or indirectly.

*** Amounts owed relate to loans given to directors of this Company by entities which are indirect shareholders of the Company and are primarily loans to acquire interests in these companies. Therefore neither the amounts owed nor the income received are reflected in the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

23. Related party disclosures (continued)

Company related party disclosures

The table below sets out the amounts payable, amounts receivable and balance due to or payable by the Company in respect of all related party transactions.

		Income from related parties £'000	Expenses to related parties £'000	Amounts owed by related parties * £'000	Provisions and amounts owed to related parties * £'000
Parent Company	2019	-	-	-	-
	2018	-	-	-	-
Entities with significant influence over the entity**	2019	-	-	-	-
	2018	-	-	300	-
Fellow subsidiaries	2019	-	-	-	-
	2018	-	-	48	300
Key management personnel of the Company or its Parent ***	2019	-	-	-	-
	2018	-	-	122	-

* These amounts are classified as trade receivables and trade payables, respectively (see Notes 11 and 12).

**Entities with significant influence over the entity are considered to be entities that control the Parent Company either directly or indirectly.

*** Amounts owed relate to loans given to directors of this Company by entities which are indirect shareholders of the Company and are primarily loans to acquire interests in these companies. Therefore neither the amounts owed nor the income received are reflected in the Company's financial statements.

24. Subsequent events

On 21 December 2018 the Group's controlling party Stonehage Fleming Family and Partners Limited ("SFFP") announced that it had reached agreement with Caledonia Investments Plc "Caledonia" on the terms of a strategic partnership. This is to be achieved by Caledonia acquiring a 36.73% shareholding in SFFP from shareholders. The SFFP will also return approximately £41.0 million of capital to shareholders. Regulatory clearance for these transactions was received on 28 June 2019 and the transaction formally completed on 10 July 2019.

25. Controlling party

The immediate parent undertaking and controlling party of the Company is Stonehage Fleming Financial Services Holdings Limited. The ultimate parent undertaking and controlling party of the Company is Spes Bona Limited, a company incorporated in the British Virgin Islands with registered address, GTS Chambers, Road Town, Tortola, BVI.

The largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Stonehage Fleming Family & Partners Limited and the smallest such group of undertakings for which group financial statements are drawn up is Stonehage Fleming (UK) Limited.