

Company Registration No. 02426924 (England and Wales)

BAIGRIE DAVIES & COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2016

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BAIGRIE DAVIES & COMPANY LIMITED

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BAIGRIE DAVIES & COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr I S Howe Mr S G Murray Ms J A Russell
Secretary	Mrs F M Horsburgh
Company number	02426924
Registered office	14th Floor 30 St. Mary Axe London EC3A 8BF
Auditor	KPMG LLP Chartered Accountants 20 Saltire Court Edinburgh EH1 2EG
Business address	4 Chiswell Street London EC1Y 4UP

BAIGRIE DAVIES & COMPANY LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements of Baigrie Davies & Company Limited ("the company") for the period ended 31 December 2016.

Principal activities

The principal activity of the company during the year was the provision of financial planning advice to private clients, along with associated advice on their investments. In addition the company provides mortgage broking services and advice to SMEs on their employee benefits strategy.

Review of the business

The company turnover increased by 38% for the 16 month period on the previous year, however on comparison to the 12 month period to August 2016 turnover increased by 4% (2015: 6.84%). The company's core offering of financial planning is valued by our customers and creates very stable and trusted relationships. Ongoing adviser charging forms a large part of the company turnover and is increasing year on year as the business' excellent track record and reputation grow, alongside the wealth of our existing clients. Assets under advice have reached £378m.

The company has reported a loss after tax of £122,503 (2015 - £142,184). This is after taking into account the cost of future loyal leaver payments that have been agreed with two of our senior financial planners who have retired during the year. The effect of this provision on the operations of the business is wholly beneficial, but in accordance with FRS102 section 21 we have taken a charge of £99,053 to the statement of comprehensive income (2015 - £374,016). The underlying profitability of the business remains strong and its financial strength sufficient to support its regulated activities.

Beyond profit and turnover the key performance indicators remain:-

1. The amount of recurring fee income received from clients.
2. The proportion of the total revenue represented by recurring fees.
3. The average adviser charge per client or on assets under advice.
4. The additional revenues from new work undertaken for existing and particularly new clients.
5. Adviser and staff retention.

The current performance of all these advance indicators is strong, and the financial indicators are comfortably ahead of target in 2016-17. The directors are thus confident of improved profitability going forward, and the preparation of the accounts on a going concern basis.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr A H Davies	(Retired 31 July 2017)
Mr T Q Baigrie	(Retired 1 August 2016)
Mr I S Howe	
Mr S G Murray	(Appointed 1 August 2016)
Ms J A Russell	(Appointed 1 August 2016)

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend (2015: £nil).

Auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

BAIGRIE DAVIES & COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

Statement of disclosure to auditor

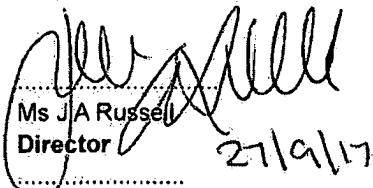
So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Qualifying entity

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. As such the company has elected to not produce a Strategic report.

On behalf of the board


Ms J A Russell
Director
27/9/17

BAIGRIE DAVIES & COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2016

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAIGRIE DAVIES & COMPANY LIMITED

We have audited the financial statements of Baigrie Davies & Company Limited for the year ended 31 December 2016 set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Neil Palmer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
KPMG LLP
20 Saltire Court
Edinburgh
EH1 2EG
United Kingdom

27 September 2017

BAIGRIE DAVIES & COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

		16 months to 31 December 2016 £	12 months to 31 August 2015 £
	Notes		
Turnover	3	5,457,647	3,948,354
Cost of sales		(366,705)	(190,911)
Gross profit		5,090,942	3,757,443
Administrative expenses		(5,145,692)	(3,951,529)
Other operating income		41,000	36,000
Operating loss	6	(13,750)	(158,086)
Interest receivable and similar income		-	31
Interest payable and similar charges		(29,438)	(19,563)
Loss before taxation		(43,188)	(177,618)
Taxation	7	(79,315)	35,434
Loss for the financial period	20	(122,503)	(142,184)

The Directors consider that all activities derive from continuing activities.

There was no other comprehensive income in the period.

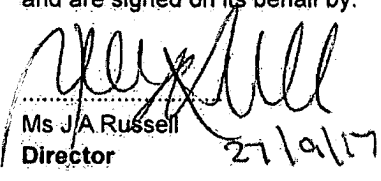
The notes on page 8 to 22 form an integral part of these financial statements.

BAIGRIE DAVIES & COMPANY LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	31 December 2016		31 August 2015	
		£	£	£	£
Fixed assets					
Intangible assets	8		428		4,121
Tangible assets	9		62,149		135,801
Investments	10		-		-
			<u>62,577</u>		<u>139,922</u>
Current assets					
Debtors	12	442,722		1,468,172	
Cash at bank and in hand		1,162,146		494,795	
		<u>1,604,868</u>		<u>1,962,967</u>	
Creditors: amounts falling due within one year	13	<u>(250,537)</u>		<u>(510,541)</u>	
Net current assets			<u>1,354,331</u>		<u>1,452,426</u>
Total assets less current liabilities			<u>1,416,908</u>		<u>1,592,348</u>
Creditors: amounts falling due after more than one year	14		(9,510)		(70,379)
Provisions for liabilities	16		<u>(986,684)</u>		<u>(1,253,705)</u>
Net assets			<u>420,714</u>		<u>268,264</u>
Capital and reserves					
Called up share capital	19		294,953		20,000
Profit and loss reserves	20		125,761		248,264
Total equity			<u>420,714</u>		<u>268,264</u>

The notes on page 8 to 22 form an integral part of these financial statements.

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


Ms J A Russell
Director

27/9/17

BAIGRIE DAVIES & COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 September 2014		20,000	390,448	410,448
Period ended 31 August 2015:				
Loss and total comprehensive income for the period		-	(142,184)	(142,184)
Balance at 31 August 2015		20,000	248,264	268,264
Period ended 31 December 2016:				
Loss and total comprehensive income for the period		-	(122,503)	(122,503)
Issue of share capital	19	274,953	-	274,953
Balance at 31 December 2016		294,953	125,761	420,714

The notes on page 8 to 22 form an integral part of these financial statements.

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Basis of preparation and accounting policies

Company information

Baigrie Davies & Company Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is 14th Floor, 30 St. Mary Axe, London, EC3A 8BF. The principal place of business is 4 Chiswell Street, London, EC1Y 4UP.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional and presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Baigrie Davies & Company Limited prepared in accordance with FRS 102. The financial statements of Baigrie Davies & Company Limited for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date and are detailed in note 25.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Standard Life Plc. These consolidated financial statements are available from its registered office, Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH.

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Basis of preparation and accounting policies (Continued)

Accounting convention (continued)

The end of the entity's reporting period has changed and the annual financial statements have been presented for a period longer than one year. The reason for the change is to bring the year end in line with group reporting requirements. The comparative amounts presented in the financial statements (including the related notes) are not entirely comparable as a result of this change.

Going concern

The company has made a loss before tax for the year of £43,188 and at 31 December 2016 had net assets of £420,714.

As noted in the directors report the loss has occurred due to the recognition of future loyalty leaver payments that have been agreed with two of the senior financial planners who have retired in the year.

The directors have prepared forecasts which show that the underlying profitability of the company remains strong and will have sufficient resources to operate within its existing facilities, to allow it to meet its operating liabilities as they fall due and support its regulated activities for a period of at least 12 months from the date of approval of these financial statements.

Whilst there are inherent uncertainties within any forecasts, the directors do not believe that these are such that they would impact upon the ability of the company to continue to operate and hence the use of the going concern concept as a basis of preparation for these accounts.

On the basis of the above factors, profitable post year end trading, and the continued support of the bank, directors and related companies, the board have concluded that it is appropriate to prepare the accounts on the going concern basis, remains appropriate.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover represents fees and commissions receivable, net of provisions for commission clawbacks.

Intangible fixed assets

Development expenditure is carried forward in relation to the development of a website when its future recoverability can be foreseen with reasonable assurance. All research and other development costs are written off as incurred. Amortisation is provided at rates calculated to write off the cost over its expected useful life, as follows:

Development costs	33.3% straight line
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Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	20% - 33.3% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Basis of preparation and accounting policies (Continued)

Fixed asset investments

Interests in jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, and loans to companies in which the company has a participating interest are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Basis of preparation and accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Clawback provisions

Provision is made for potential clawback of commission paid to the company on an indemnity basis. The provision is based upon a historical analysis of clawbacks suffered.

Senior leavers loyalty provision

Provision is made for potential future payments in respect of senior staff retirements in the period of retirement.

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Basis of preparation and accounting policies (Continued)

Administrative expenses

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

The Company took advantage of the exemption under paragraph 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 September 2014) and continues to credit such lease incentives to the statement of comprehensive income over the period to the first review date on which the rent is adjusted to market rates.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key judgements are determined to be the provisions; see note 16.

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

3 Turnover

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover analysed by class of business		
Corporate Services	448,561	425,836
Mortgage	560,838	285,786
Private Client	4,448,248	3,236,732
	<u>5,457,647</u>	<u>3,948,354</u>

Turnover analysed by geographical market

	2016	2015
	£	£
United Kingdom	<u>5,457,647</u>	<u>3,948,354</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2016	2015
	Number	Number
Director	1	3
Management	3	2
Planners	11	10
Support & Admin	17	16
	<u>32</u>	<u>31</u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	3,103,579	2,271,395
Social security costs	394,693	261,582
Pension costs	277,939	206,702
	<u>3,776,211</u>	<u>2,739,679</u>

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

5 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	433,287	353,466
Company pension contributions to defined contribution schemes	55,800	56,102
	<u>489,087</u>	<u>409,568</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	273,360	179,000
Company pension contributions to defined contribution schemes	17,415	17,702
	<u>290,775</u>	<u>196,702</u>

6 Operating loss

	2016 £	2015 £
Operating loss for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	30,000	10,500
Depreciation of owned tangible fixed assets	19,069	24,286
Depreciation of tangible fixed assets held under finance leases	60,869	45,652
Amortisation of intangible assets	3,693	9,243
Operating lease charges	118,690	91,918
	<u>232,321</u>	<u>181,599</u>

7 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	24,401	41,292
Adjustments in respect of prior periods	(2,035)	(23,371)
Total current tax	<u>22,366</u>	<u>17,921</u>
Deferred tax		
Origination and reversal of timing differences	56,949	(53,355)
Total tax charge/(credit)	<u>79,315</u>	<u>(35,434)</u>

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

7 Taxation (Continued)

The total tax charge/(credit) for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
Loss before taxation	(43,188)	(177,618)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	(8,638)	(37,300)
Tax effect of expenses that are not deductible in determining taxable profit	70,617	27,569
Change in unrecognised deferred tax assets	(3,414)	-
Adjustments in respect of prior years	(1,986)	(23,533)
Effect of change in corporation tax rate	20,544	-
Permanent capital allowances in excess of depreciation	739	(5,608)
Depreciation on assets not qualifying for tax allowances	-	16,628
Deferred tax adjustments in respect of prior years	1,513	-
Tax at marginal rate	-	(867)
Other short term timing differences	-	44,104
Consortium relief	-	(3,909)
Other tax adjustments	(60)	837
Deferred tax	-	(53,355)
Taxation for the period	79,315	(35,434)

8 Intangible fixed assets

	Development costs £
Cost	
At 1 September 2015 and 31 December 2016	28,278
Amortisation and impairment	
At 1 September 2015	24,157
Amortisation charged for the period	3,693
At 31 December 2016	27,850
Carrying amount	
At 31 December 2016	428
At 31 August 2015	4,121

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

9 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 September 2015	456,992
Additions	6,286
	<u>463,278</u>
At 31 December 2016	
Depreciation and impairment	
At 1 September 2015	321,191
Depreciation charged in the period	79,938
	<u>401,129</u>
At 31 December 2016	
Carrying amount	
At 31 December 2016	<u>62,149</u>
At 31 August 2015	<u>135,801</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2016 £	2015 £
Plant and machinery	<u>55,162</u>	<u>116,031</u>
Depreciation charge for the period in respect of leased assets	<u>60,869</u>	<u>45,652</u>

10 Fixed asset investments

	2016 £	2015 £
Investments in joint ventures	<u>-</u>	<u>-</u>

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BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

10 Fixed asset investments (Continued)

Movements in fixed asset investments

	Other investments £
Cost or valuation	
At 1 September 2015 & 31 December 2016	1
Impairment	
At 1 September 2015 & 31 December 2016	1
Carrying amount	
At 31 December 2016	-
At 31 August 2015	-

11 Joint ventures

Details of the company's joint ventures at 31 December 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Serin Wealth Limited	England	Providing financial services advice	Ordinary	50.00	

12 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	61,484	100,978
Amounts owed by undertakings in which the company has a participating interest (note 23)	161,332	204,260
Other debtors	8,455	823,911
Prepayments and accrued income	95,034	165,657
	<u>326,305</u>	<u>1,294,806</u>
Deferred tax asset (note 17)	116,417	173,366
	<u>442,722</u>	<u>1,468,172</u>

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

13 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Obligations under finance leases	15	45,652	45,652
Trade creditors		15,285	228,397
Corporation tax		24,401	6,425
Other taxation and social security		77,031	107,795
Other creditors		-	920
Accruals and deferred income		88,168	121,352
		<u>250,537</u>	<u>510,541</u>

Obligations under finance leases are secured by the related assets (see note 9).

14 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases	15	9,510	70,379
		<u>9,510</u>	<u>70,379</u>

15 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Less than one year	45,652	45,652
Between one and five years	9,510	70,379
	<u>55,162</u>	<u>116,031</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

16 Provisions for liabilities

	2016 £	2015 £
Commission clawback	2,104	14,749
Senior staff loyalty leavers provision	984,580	1,238,956
	<u>986,684</u>	<u>1,253,705</u>

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

16 Provisions for liabilities (Continued)

Movements on provisions:

	Commission clawback	Senior staff loyalty leavers provision	Total
	£	£	£
At 1 September 2015	14,749	1,238,956	1,253,705
Additional provisions in the year	2,104	99,053	101,157
Utilisation of provision	(14,749)	(353,429)	(368,178)
	<u>2,104</u>	<u>984,580</u>	<u>986,684</u>
At 31 December 2016	<u>2,104</u>	<u>984,580</u>	<u>986,684</u>

Commission clawback

A clawback provision of £2,104 (2015 - £14,749) is made for potential clawback of commission paid to the company on an indemnity basis. The provision is based upon a historical analysis of clawbacks suffered.

Senior staff loyalty leavers provision

A provision of £984,580 (2015 - £1,238,956) is included relating to future payments which will be made to two of our senior financial planners who retired in 2015. As the timing of payment is uncertain as at the year end all of the provision has been classified as being non-current.

17 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	2016 £	2015 £
Balances:		
Accelerated capital allowances	(862)	(12,348)
Other timing differences	117,279	185,714
	<u>116,417</u>	<u>173,366</u>
		2016
Movements in the period:		£
Asset at 1 September 2015		173,366
Charge to profit or loss		(56,949)
		<u>116,417</u>
Asset at 31 December 2016		<u>116,417</u>

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

17 Deferred taxation (Continued)

The deferred tax asset has been calculated with reference to a tax rate of 20% to April 2017, 19% to April 2020 and 18% thereafter.

18 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	277,939	206,702

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

No contributions were outstanding at the year end (2015: £nil).

19 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
294,953 (2015: 20,000) Ordinary shares of £1 each	294,953	20,000

The company has one class of ordinary shares. These shares carry equal rights to voting and to the distribution of dividends.

On 10 August 2016, the company issued 250,000 Ordinary shares at par.
On 4 October 2016 the company issued 24,953 Ordinary shares at par.

20 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	125,134	125,134
Between one and five years	466,987	476,011
In over five years	116,110	232,220
	<u>708,231</u>	<u>833,365</u>

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

22 Events after the reporting date

To the knowledge of the directors, there are no material subsequent events requiring disclosure in the financial statements.

23 Related party transactions

During the year the following transactions took place between Serin Wealth Limited, a joint venture of the company and Baigrie Davies & Company Limited.

- Baigrie Davies & Company Limited charged management charges of £11,700 (2015: £11,700) and staff costs of £76,143 (2015: £111,794) for time spent on clients of Serin Wealth Limited.
- Baigrie Davies & Company Limited received commission income totaling £25,000 (2015: £25,000) from Serin Wealth Limited.
- Serin Wealth Limited made repayments to Baigrie Davies & Company Limited totaling £145,000 (2015: £91,999).

At 31 December 2016 Serin Wealth Limited owed Baigrie Davies & Company Limited £184,503 (2015: £204,260).

At 31 December 2016 1825 Financial Planning Limited, a parent company, was owed £23,172 (2015: nil) by Baigrie Davies & Company Limited.

24 Controlling party

The smallest and largest group into which consolidated accounts are prepared is Standard Life Plc. The group accounts can be obtained from Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH.

The immediate parent company of the entity is Baigrie Davies Holdings Limited, the ultimate controlling party is Standard Life Plc.

25 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	1 September 2014	31 August 2015
Notes	£	£
Equity as reported under previous UK GAAP	427,518	285,334
Adjustments arising from transition to FRS 102:		
Holiday pay accrual	(17,070)	(17,070)
Equity reported under FRS 102	<u>410,448</u>	<u>268,264</u>

BAIGRIE DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

25 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of loss for the financial period

2015
£

Loss as reported under previous UK GAAP and under FRS 102

(142,184)

Notes to reconciliations on adoption of FRS 102

Holiday pay accrual

Introduction of holiday pay accrual not recognised under previous UK GAAP.

BAIGRIE DAVIES & COMPANY LIMITED
MANAGEMENT INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2016

BAIGRIE DAVIES & COMPANY LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE PERIOD ENDED 31 DECEMBER 2016

		Period ended 31 December 2016		Year ended 31 August 2015
	£	£	£	£
Turnover				
Sales of goods		167,830		130,198
Commissions receivable		5,289,817		3,818,156
		<u>5,457,647</u>		<u>3,948,354</u>
Cost of sales				
Staff commissions payable	366,705		190,911	
		<u>(366,705)</u>		<u>(190,911)</u>
Gross profit	93.28%	5,090,942	95.16%	3,757,443
Other operating income				
Rent receivable		41,000		36,000
Administrative expenses		<u>(5,145,692)</u>		<u>(3,951,529)</u>
Operating loss		<u>(13,750)</u>		<u>(158,086)</u>
Investment revenues				
Other interest received - not on financial instruments		-	31	
				<u>31</u>
Interest payable and similar charges				
Bank interest on loans and overdrafts	3,129		615	
Hire purchase interest payable	26,309		18,934	
Interest on overdue taxation - not financial liabilities	-		14	
		<u>(29,438)</u>		<u>(19,563)</u>
Loss before taxation	0.79%	<u>(43,188)</u>	4.50%	<u>(177,618)</u>

BAIGRIE DAVIES & COMPANY LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES (UNAUDITED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Period ended 31 December 2016 £	Year ended 31 August 2015 £
Administrative expenses		
Wages and salaries	2,303,587	1,727,018
Social security costs	394,693	261,582
Staff recruitment costs	41,750	26,500
Staff welfare	103,668	81,842
Staff training	23,427	5,803
Staff pension costs defined contribution	222,139	150,600
Directors' remuneration	433,287	353,466
Directors' pension costs - defined contribution scheme	55,800	56,102
Management charge	-	(10,761)
Rent re operating leases	118,690	89,018
Service charge payable	43,122	34,921
Rates	67,670	49,898
Cleaning	10,740	8,091
Power, light and heat	3,315	4,286
Property repairs and maintenance	12,649	11,790
Premises insurance	1,859	1,378
Computer running costs	116,613	73,675
Hire of equipment (not operating lease)	13,489	8,648
Leasing - motor vehicles	-	2,900
Travelling expenses	27,604	20,153
Postage, courier and delivery charges	5,816	3,705
Professional subscriptions	166,980	84,514
Legal and professional fees	181,755	164,587
Accountancy	40,971	11,161
Audit fees	30,000	10,500
Charitable donations	8,879	4,439
Bank charges	1,182	476
Group undertaking write off	195,868	-
Insurances (not premises)	98,512	81,479
Printing and stationery	28,051	20,483
Advertising	203	47
Telecommunications	35,763	25,069
Entertaining	29,042	20,583
Irrecoverable VAT	145,884	114,379
Senior staff loyalty leavers bonus	99,053	374,016
Amortisation	3,693	9,243
Depreciation	79,938	69,938
	<u>5,145,692</u>	<u>3,951,529</u>