



STENHAM

STENHAM SUPPORT SERVICES LIMITED

Company Registration No. 2812141

**Report and financial statements
for the year ended 31 March 2016**

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STENHAM SUPPORT SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS 2016

CONTENTS

Page

Directors' report	3
Statement of directors' responsibilities	5
Independent auditor's report	6
Statement of comprehensive income	7
Statement of changes in equity	8
Balance sheet	9
Cash flow statement	10
Notes to the financial statements	11

STENHAM SUPPORT SERVICES LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for Stenham Support Services Limited ("the company") for the year ended 31 March 2016.

REVIEW OF THE BUSINESS, FUTURE DEVELOPMENTS AND GOING CONCERN

The principal activity of the company during the year was management services and the provision of group facilities.

The directors acknowledge the latest guidance on going concern. The company monitors the current economic and business environment, and the directors are satisfied that the company will continue to be attractive to the group. The company has net current assets of £60,312 (2015: £278,162). The directors have sought and received assurances from Stenham Limited that they will continue to provide ongoing financial support to enable the company to continue in operational existence for the foreseeable future. The company also has significant liquid resources, with £205,364 held in cash (2015: £165,085). Accordingly, the directors continue to adopt the going concern basis in preparing this report and the financial statements.

The company is dependent on its relationship with other Stenham group companies. However, the Stenham group is in a strong financial position.

RESULTS AND DIVIDENDS

The results for the year are set out in the statement of comprehensive income on page 7. Turnover for the year ended 31 March 2016 amounted to £2,126,560 (2015: £2,774,877) and the total comprehensive income tax was £Nil (2015: £Nil). The directors did not declare a dividend during the year (2015: £Nil) and no profit was transferred to reserves (2015: £Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk is the risk of loss resulting from the default of a counterparty due to insufficient liquidity to settle their fees. The company manages this exposure through regular reviews of the unpaid invoices. In addition, the credit risk with respect to trade receivables is limited due to the company trading only with entities that have an established credit history with the company.

Further details of the company's financial risk management objectives, its financial instruments and its exposures to credit risk, market risk, liquidity risk and foreign currency risk are set out in note 14 of the financial statements.

CAPITAL STRUCTURE

Details of the authorised and issued share capital are shown in note 11. The company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the company.

STRATEGIC REPORT

The directors have taken exemption from preparing the strategic report as the accounts are prepared in accordance with the small companies regime.

STENHAM SUPPORT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The directors of the company who served during the year and to the date of this report were as follows:

R. Katz
R. Toledano

DIRECTORS' INDEMNITIES

The company made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

AUDITOR

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

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of the financial statements confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps he ought to have taken as director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

180 Great Portland Street
London
By order of the Board

R. Toledano
Director

16 May  2016

STENHAM SUPPORT SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and of the profit or loss of the company for that year. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STENHAM SUPPORT SERVICES LIMITED

We have audited the financial statements of Stenham Support Services Limited for the year ended 31 March 2016 which comprise the statement of comprehensive income, the statement of changes in equity, the balance sheet, the cash flow statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

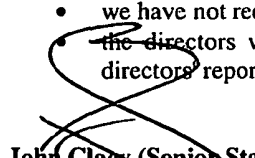
Opinion on other matter prescribed by the Companies Act 2006

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. The directors have taken exemption from preparing the strategic report as the accounts are prepared in accordance with the small companies regime.

Matters on which we are required to report by exception

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

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


John Clacy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Peter Port, Guernsey

24 May 2016

STENHAM SUPPORT SERVICES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

		Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 £'000
	Notes		
OPERATING REVENUE	2	2,127	2,775
Administration and operating expenses		(2,107)	(2,767)
OPERATING PROFIT	2	20	8
Interest receivable		-	-
Interest payable		-	-
PROFIT BEFORE TAXATION		-	-
Tax on profit on ordinary activities	4	(20)	(8)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		-	-

The accompanying notes form an integral part of these financial statements.

STENHAM SUPPORT SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

31 March 2016	Reserves £'000	Share capital £'000	Total £'000
Balance as at 1 April 2015	40	20	60
Retained loss for the year	-	-	-
Balance as at 31 March 2016	40	20	60

31 March 2015	Reserves £'000	Share capital £'000	Total £'000
Balance as at 1 April 2014	40	20	60
Retained profit for the year	-	-	-
Balance as at 31 March 2015	40	20	60

The accompanying notes form an integral part of these financial statements.


STENHAM SUPPORT SERVICES LIMITED

BALANCE SHEET AS AT 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	6	-	-
Deferred taxation	7	49	69
		<u>49</u>	<u>69</u>
CURRENT ASSETS			
Trade and other receivables	8	52	495
Cash and cash equivalents	9	205	165
		<u>257</u>	<u>660</u>
TOTAL ASSETS		<u>306</u>	<u>729</u>
EQUITY			
Share capital	11	20	20
Reserves		40	40
TOTAL EQUITY		<u>60</u>	<u>60</u>
CURRENT LIABILITIES			
Trade and other payables	10	196	382
Taxation		-	-
TOTAL CURRENT LIABILITIES		<u>196</u>	<u>382</u>
NON-CURRENT LIABILITIES			
Trade and other payables	10	50	287
TOTAL LIABILITIES		<u>246</u>	<u>669</u>
TOTAL EQUITY AND LIABILITIES		<u>306</u>	<u>729</u>

These financial statements were approved by the Board of Directors on 16 May 2016.

Signed on behalf of the Board.


R. Toledano
Director

The accompanying notes form an integral part of these financial statements.

STENHAM SUPPORT SERVICES LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash from operating activities	12	40	86
Taxation recovered		-	-
		<u>40</u>	<u>86</u>
NET INCREASE IN CASH & CASH EQUIVALENTS		40	86
OPENING CASH & CASH EQUIVALENTS		<u>165</u>	<u>79</u>
CASH & CASH EQUIVALENTS AT 31 MARCH	9	<u><u>205</u></u>	<u><u>165</u></u>

The accompanying notes form an integral part of these financial statements.

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been consistently applied to all periods presented.

Basis of accounting

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements have been prepared under the historical cost basis.

At the date of authorisation of these financial statements, certain new and revised Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective.

Adoption of new and revised standards

In the current year, the company has adopted all of the new and revised standards effective in the year. None of these changes have had a material impact on the financial statements.

At the date of authorisation of these financial statements, certain new and revised Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective. The directors anticipate that the adoption of these standards and interpretations will not have a material impact on the financial statements.

Going concern

The directors acknowledge the latest guidance on going concern. The company monitors the current economic and business environment, and the directors are satisfied that the company will continue to be attractive to the group. The company has net current assets of £61,312 (2015: £278,162). The directors have sought and received assurances from Stenham Limited that they will continue to provide ongoing financial support to enable the company to continue in operational existence for the foreseeable future. The company also has liquid resources, with £205,364 held in cash (2015: £165,085). Accordingly, the directors continue to adopt the going concern basis in preparing this report and the financial statements. The company is dependent on its relationship with other Stenham group companies. However, the Stenham group is in a strong financial position.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment.

Depreciation on property and equipment is calculated to write down their cost to their estimated residual values over the year of their estimated lives, at the following rates per annum:

Computer equipment	25% straight line
Fixtures, fittings and other equipment	20% straight line
Leasehold improvements	the higher of 20% straight line and the straight line rate implied by the useful life of the leasehold improvement

Revenue recognition

Turnover is measured at fair value and represents the accrued value of services provided to the group. Interest income is recognised in profit or loss using the effective interest rate method.

Foreign currency translation

The financial statements are presented in Sterling which is the company's functional and presentation currency.

Monetary assets and liabilities denominated in currencies other than Sterling have been translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions during the period have been translated at the rates of exchange ruling at the date of the transaction. Any gains or losses arising on translation differences are included as an exchange gain or loss in the statement of comprehensive income.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax application rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates which apply when they crystallise based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

The company makes contributions to the personal pension schemes of the majority of its permanent employees. The schemes are defined contribution plans. Pension costs charged against profits represent the amounts payable to the schemes in respect of the period.

Critical accounting estimates and judgement

In the application of the company's accounting policies, which are described in this note, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Financial assets

Classification

The company classifies its financial assets as loans and receivables. The classification is dependent on the purpose for which the asset is acquired. Management determines the classification of its investments at the time of purchase and re-evaluates such designation at every reporting date.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those which the company has classified upon initial recognition as at fair value through profit or loss. Loans and receivables are measured at amortised cost, less any impairment.

Measurement and recognition

Purchases and sales of financial assets are recognised on the trade date, which is when the company commits to purchase or sell the assets. Other financial assets are recognised when the entity becomes party to the contractual provisions of the agreement and derecognised when the contractual rights to receive cash flows from the financial asset expire, or where the financial assets have been transferred, together with substantially all of the risks and rewards of ownership.

All financial assets are initially measured at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

After initial recognition, the company measures financial assets designated as at fair value through profit or loss, or as available-for-sale, at fair values without any deduction for transaction costs it may incur on their disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost. The classification is dependent on the substance of the contractual arrangements entered into.

Financial liabilities at amortised cost

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. OPERATING REVENUE AND PROFIT BEFORE TAXATION

The company's turnover was mainly derived from its principal activity, which is management consultancy and the provision of group facilities.

The profit on ordinary activities before taxation is stated after charging:

	Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 £'000
Auditor's remuneration for auditing annual accounts	8	8

Fees payable to Deloitte LLP amounting to £7,800 (2015: £7,500) relate to amounts due for audit fees.

3. STAFF NUMBERS AND COSTS

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

	Year ended 31 Mar 2016 No	Year ended 31 Mar 2015 No
Management and administration	9	8

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages and salaries	604	587
Social security costs	49	52
Pension costs	25	24
	678	663

The aggregate payroll costs above include the directors.

Any remuneration costs of the directors are refunded by other Stenham group companies.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 £'000
Current tax charge:		
UK corporation tax	-	-
Adjustment in respect of prior periods	-	-
Current tax expense	-	-
Deferred tax (note 7)	20	8
Tax on profit on ordinary activities	20	8

The tax charge for the year varied from the stated UK corporation tax rate as explained below:

Profit on ordinary activities before taxation	-	-
Tax at 20% thereon (2015: 21%)	-	-
Adjustments in respect of prior periods	-	-
Other timing differences in respect of prior periods	-	-
Other permanent differences	-	-
Total tax charge / (credit) for the year	-	-

The headline rate of UK corporation tax will reduce from 20% to 19% with effect from 1 April 2017.

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

	Loans and receivables 2016 £'000	Financial liabilities at amortised cost 2016 £'000	Non financial instruments 2016 £'000	Total 2016 £'000
Non-current assets				
Property, plant and equipment	-	-	-	-
Deferred taxation	-	-	49	49
Current assets				
Trade and other receivables	52	-	-	52
Cash and cash equivalents	205	-	-	205
Taxation				
Total assets	257	-	49	306
Current liabilities				
Trade and other payables	-	196	-	196
Non-current liabilities				
Trade and other payables	-	50	-	50
Total liabilities	-	246	-	246

The above analysis includes prepayments and accruals.

	Loans and receivables 2015 £'000	Financial liabilities at amortised cost 2015 £'000	Non financial instruments 2015 £'000	Total 2015 £'000
Non-current assets				
Property, plant and equipment	-	-	-	-
Deferred taxation	-	-	69	69
Current assets				
Trade and other receivables	495	-	-	495
Cash and cash equivalents	165	-	-	165
Taxation				
Total assets	660	-	69	729
Current liabilities				
Trade and other payables	-	382	-	382
Non-current liabilities				
Trade and other payables	-	287	-	287
Total liabilities	-	669	-	669

The above analysis includes prepayments and accruals.

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £'000	Computer equipment £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost				
At 1 April 2015	966	413	47	1,426
Disposals	(966)	-	-	(966)
At 31 March 2016	-	413	47	460
Accumulated depreciation				
At 1 April 2015	966	413	47	1,426
Disposals	(966)	-	-	(966)
At 31 March 2016	966	413	47	460
Net book value				
At 31 March 2016	-	-	-	-
At 31 March 2015	-	-	-	-

7. DEFERRED TAX

The following are the major deferred tax assets recognised by the company and movements thereon during the current reporting year.

	Other short term timing differences £'000	Excess of capital allowances over depreciation £'000	Deferred tax asset £'000
Deferred tax asset:			
As at 1 April 2015	-	69	69
Charge to the statement of comprehensive income	-	(20)	(20)
As at 31 March 2016	-	49	49
	Other short term timing differences £'000	Excess of capital allowances over depreciation £'000	Deferred tax asset £'000
Deferred tax asset:			
As at 1 April 2014	-	77	77
Charge to the statement of comprehensive income	-	(8)	(8)
As at 31 March 2015	-	69	69

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

8. TRADE AND OTHER RECEIVABLES

	2016 £'000	2015 £'000
Trade debtors	-	56
Other debtors	15	108
Prepayments and accrued income	37	331
	<u>52</u>	<u>495</u>

9. CASH AND CASH EQUIVALENTS

	2016 £'000	2015 £'000
Bank balances	<u>205</u>	<u>165</u>

Cash and cash equivalents comprise cash held by the company and short-term bank deposits. The carrying amount of these assets is considered equivalent to their fair value.

10. TRADE AND OTHER PAYABLES

	2016 £'000	2015 £'000
Current		
Other taxation and social security	5	13
Other creditors and accruals	191	369
	<u>196</u>	<u>382</u>
Non-current		
Amounts owed to group companies	50	287
	<u>246</u>	<u>287</u>

The amounts owed to group companies relate to Stenham Limited and is interest free and unsecured, with no fixed date of repayment, however Stenham Limited has confirmed it will not call on this amount within 12 months of the balance sheet date.

11. SHARE CAPITAL

	2016 £'000	2015 £'000
Authorised		
20,000 ordinary shares of £1.00 each	<u>20</u>	<u>20</u>
Allotted, called-up and fully paid		
20,000 ordinary shares of £1.00 each	<u>20</u>	<u>20</u>

The ordinary shares are entitled to one vote per share and equal shares in dividend and capital distributions.

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

12. NET CASH FROM OPERATING ACTIVITIES

	Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 £'000
Operating profit	20	8
Decrease / (increase) in trade and other receivables	443	(81)
Decrease in trade and other payables	(423)	(159)
Net cash generated/(used) from operating activities	40	86

13. PENSION SCHEME ARRANGEMENTS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £25,147 for the year ended 31 March 2016 (2015: £23,890). Pension contributions outstanding at 31 March 2016 are £Nil (2015: £2,705).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Having regard to the fact that managing risk is an inherent part of the company's activities, risk management and the ongoing improvement in corresponding control structures remain a key focus of management in building a successful and sustainable business. The Board recognises that risk management is a dynamic process and that the risk framework should be robust enough to effectively manage and react to change in an efficient and timely manner.

Formalisation of a risk management framework is the responsibility of the company and the Board of directors. The framework ensures:

- risk-taking within levels acceptable to the company;
- efficient liquidity management and control of funding costs; and
- improved risk management and control.

Senior management take an active role in the risk management process and are responsible for the implementation, ongoing maintenance of and ultimate compliance with the risk process as it applies to the business. Regular Board meetings are held to consider any risk developments.

Risk management structure

The company participates in the Stenham group's (being Stenham Limited and its subsidiaries) risk management framework. The nature of key risks to which the company is exposed are categorised as follows:

Market risk

Market risk is the potential change in the value of a financial instrument resulting from changes in market conditions. The company's activities have very limited exposure to this risk.

Foreign currency risk

The company has very limited exposure to foreign currency transaction risk.

Transaction exposures arise when a business undertakes a transaction in a currency other than its functional currency. To manage foreign exchange risk all non-Sterling revenues, net of non-Sterling expenses are usually converted to Sterling (GBP) promptly on receipt.

Currency exposures are monitored on an ongoing basis. As the company transacts primarily in Sterling, management consider foreign currency transaction risk to be minimal.

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on future cash flows and earnings from interest-bearing assets and liabilities. Interest earned by the company is a result of the Stenham group's financing decisions. Financial assets and liabilities that are sensitive to interest rate risk comprise only cash balances.

The company monitors interest rate risk on an ongoing basis and cash is placed with high credit-rated financial institutions or invested. Management considers interest rate risk to be minimal.

Interest rate sensitivity analysis

The repricing profile of assets and liabilities sensitive to interest rate fluctuations is presented in the table below. Interest-bearing assets and liabilities are allocated to time periods by reference to the earlier of the next contractual interest rate repricing date and the maturity or settlement date. Non-interest bearing assets and liabilities are allocated according to known or estimated settlement dates.

A 2% increase represents management's assessment of the reasonably possible change in interest rates. The table depicts the sensitivity of a 2% parallel shift in all applicable rates.

	<1 month 2016 £'000	1 – 3 months 2016 £'000	3 months – 1 year 2016 £'000	>1 year 2016 £'000	Non interest bearing 2016 £'000	Total 2016 £'000
Assets	210	11	-	-	85	306
Liabilities	5	183	4	50	4	246
Interest rate sensitivity gap	205	(172)	(4)	(50)	81	60
Cumulative interest rate gap	205	33	29	(21)	60	-
Cumulative earnings risk (2% change in rates)	-	-	-	-	-	-

	<1 month 2015 £'000	1 – 3 months 2015 £'000	3 months – 1 year 2015 £'000	>1 year 2015 £'000	Non interest bearing 2015 £'000	Total 2015 £'000
Assets	186	142	-	-	401	729
Liabilities	16	228	127	287	11	669
Interest rate sensitivity gap	170	(86)	(127)	(287)	390	60
Cumulative interest rate gap	170	84	(43)	(330)	60	60
Cumulative earnings risk (2% change in rates)	-	1	1	-	-	-

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk of loss resulting from the default of a counterparty due to insufficient liquidity to settle their fees. The company manages this exposure through regular reviews of the unpaid invoices. In addition, the credit risk with respect to trade receivables is limited due to the company trading only with entities that have an established client history with the company.

Other assets that expose the company to credit risk consist principally of cash deposits and trade receivables. Cash is placed on deposit with high credit-rated financial institutions.

Current financial assets

The ageing of current financial assets at the reporting date is set out below:

31 March 2016	Not past due £'000	Past due but not impaired				Carrying value £'000
		<30 days £'000	30+ days £'000	60+ days £'000	90+ days £'000	
Receivable class						
Current assets						
Trade and other receivables	41	11	-	-	-	52
Cash and cash equivalents	205	-	-	-	-	205
Total assets	246	11	-	-	-	257

31 March 2015	Not past due £'000	Past due but not impaired				Carrying value £'000
		<30 days £'000	30+ days £'000	60+ days £'000	90+ days £'000	
Receivable class						
Current assets						
Trade and other receivables	440	55	-	-	-	495
Cash and cash equivalents	165	-	-	-	-	165
Total assets	605	55	-	-	-	660

Liquidity risk

Liquidity risk refers to the ability to meet funding obligations as they fall due.

Liquidity table

A summary of the company's undiscounted liquidity profile is reflected in the table below. Assets and liabilities are allocated according to their contractual maturity dates.

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

31 March 2016	<1 month £'000	1 – 3 months £'000	3 – 6 months £'000	6 months - 1 year £'000	No date £'000	Total £'000
Assets						
Deferred taxation	-	-	-	-	49	49
Trade and other receivables	4	11	-	-	37	52
Cash and cash equivalents	205	-	-	-	-	205
Taxation	-	-	-	-	-	-
Total assets	209	11	-	-	86	306
Liabilities						
Trade and other payables	5	183	4	-	54	246
Total liabilities	5	183	4	-	54	246
Liquidity gap	204	(172)	(4)	-	32	60
Cumulative liquidity gap	204	32	28	28	60	-
31 March 2015	<1 month £'000	1 – 3 months £'000	3 – 6 months £'000	6 months - 1 year £'000	No date £'000	Total £'000
Assets						
Property, plant and equipment	-	-	-	-	-	-
Deferred taxation	-	-	-	-	69	69
Trade and other receivables	21	142	-	-	332	495
Cash and cash equivalents	165	-	-	-	-	165
Taxation	-	-	-	-	-	-
Total assets	186	142	-	-	401	729
Liabilities						
Trade and other payables	16	228	127	-	298	669
Total liabilities	16	228	127	-	298	669
Liquidity gap	170	(86)	(127)	-	103	60
Cumulative liquidity gap	170	84	(43)	(43)	60	60

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern. The directors have sought and received assurances from Stenham Limited that they will continue to provide ongoing financial support to enable the company to continue in operational existence for the foreseeable future. The company's overall strategy remains unchanged from previous years.

The capital structure of the company consists of cash and cash equivalents and equity, comprising issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity.

Gearing ratio

Throughout the year and as at 31 March 2015, the company did not have any external debt (2014: £Nil).

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

15. RELATED PARTY TRANSACTIONS

During the year the company entered into various transactions with related parties in the ordinary course of business.

	Revenue/(expense) Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 £'000	Amounts owed by/(to) related parties 31 Mar 2016 £'000	31 Mar 2015 £'000
Administration and recharge of central operating costs payable to affiliated / group companies	2,127	2,775	-	-
Amounts receivable from / (payable to) affiliated / group companies	-	-	(50)	(287)

Remuneration of key management personnel

Key management is defined as the executive and non-executive directors of the company and the main trading subsidiaries. The remuneration of key management is set out below in aggregate for each of the relevant categories specified in IAS 24 "Related Party Disclosures".

	Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 £'000
Short term employee benefits	94	117
Post employment benefits	6	7
	<u>100</u>	<u>124</u>
Remuneration of the highest paid director:		
Short term employee benefits	94	117
Post employment benefits	6	7
	<u>100</u>	<u>124</u>

16. FINANCIAL COMMITMENTS

Operating leases – office premises

In the prior year the company agreed to make payments on behalf of Stenprop Management Limited (formerly Stenham Property Ltd) covering all costs associated with that fellow subsidiary's obligations. With effect from January 2016, the obligation for meeting the lease commitments has been transferred back to Stenprop Management Limited.

	Land and buildings 2016 £'000	2015 £'000
Within one year	-	1,050
Between two and five years	-	4,203
After five years	-	2,083
	<u>-</u>	<u>7,335</u>

The amounts charged to the statement of comprehensive income in respect of land and buildings operating leases was £671,255 for the year ended 31 March 2016 (2015: £895,000).

STENHAM SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

With effect from 4 April 2008, on which date shareholder approval for the acquisition by Peregrine Financial Services Holdings Limited ("Peregrine") was received, Peregrine acquired 51.46% of the shares in Stenham Limited, the holding company of Stenham Group Limited, the company's direct parent. During the year, Stenham Limited bought back and immediately cancelled 36,177 shares, resulting in Peregrine having an effective stake of 85.08% as at 31 March 2016 (2015: 80.91%).

The smallest group into which the company is consolidated is Stenham Limited, a company incorporated in the British Virgin Islands. The largest group into which the company is consolidated into is Peregrine, a company incorporated in South Africa. The Peregrine financial statements are available to the public on request from the registered office at 6A Sandown Valley Crescent, Sandown, Sandton, 2196, Johannesburg, South Africa.