STONEHAGE
FLEMING

Company No: 04108889

STONEHAGE FLEMING TRUSTEE CO. LIMITED

Annual Report & Financial Statements

FOR THE YEAR ENDED
31 March 2019

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COMPANIES HOUSE

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STONEHAGE FLEMING

DIRECTORS AND ADVISERS

DIRECTORS

The Earl of Derby (Chairman)
D M S Beck (resigned 29 June 2018)
P D Weldon (appointed 29 June 2018)
E Sofer (appointed 29 June 2018)

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

04108889

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their Strategic Report of the Company for the year ended 31 March 2019.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Company continues to provide trust and associated family office services to its clients. The Strategic Report, the Directors' Report and financial statements of Stonehage Fleming (UK) Limited include a review of the Group's principal business risks and uncertainties and business development, performance and key performance indicators, including this Company. In due course it is the intention of the Directors that ultimately operating activities of the Company will be transferred to Exmoor Limited.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of business risks. The Company's risk management policies seek to minimise potential adverse effects on financial performance.

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.

Currency risk
Substantially all of the Company's turnover, expenses, assets and liabilities are denominated in Sterling. The Company ensures that the exposure to net assets held in foreign currency is monitored and managed as appropriate.

Market risk
The majority of the Company's income arises from ad valorem fees earned on assets administered for clients. Such income is affected by the impact of movements in securities markets on the values of the underlying assets. It is not currently the policy of the Company to seek to reduce the exposure of the Company through hedging mechanisms.

Interest rate risk
The Company'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.

Credit risk
The Company is exposed to credit risk being the risk that receivables and cash are not collected. The majority of the Company's assets comprise debtors and cash at bank. It is the Company's policy to hold cash with a small number of high quality institutions. Receivables are monitored regularly and Management believes that the Company's procedures adequately mitigate this risk. The exposure to credit risk in respect of trust services is minimised by the contractual ability, in most cases, to collect fees from clients' assets under administration.

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

FINANCIAL RISK MANAGEMENT (CONTINUED)

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 9 July 2019 and signed on its behalf by:

P D Weldon
Director
9 July 2019

Stonehage Fleming Trustee Co. Limited
Registered Number 04108889

STONEHAGE FLEMING

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2019.

INCORPORATION

The Company was incorporated in England and Wales on 16 November 2000 as a private company limited by shares and is domiciled in the United Kingdom.

PRINCIPAL ACTIVITIES

The principal activity during the year was the provision of trust and associated family office services. The Company intends to continue to operate with this principal activity during the next financial year.

RESULTS AND DIVIDENDS

In the year under review, the Company recorded an operating profit of £nil (2018: profit of £nil) on turnover of £64,000 (2018: £116,000). At 31 March 2019, the Company had net assets of £19,000 (2018: £19,000). The return on assets, being the net result divided by the net assets, was 0% (2018: 0%).

The Directors do not recommend the payment of any dividend for the year ended 31 March 2019 (2018: £nil).

DIRECTORS

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

EMPLOYEES

The Company has no direct employees (2018: none) but is charged by Stonehage Fleming Services Limited for the cost of staff carrying out its work on its behalf.

GOING CONCERN

The Directors believe that the Company has 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 financial statements.

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

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 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 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, 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 company will continue in business.

The directors 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.

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.

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 and signed on its behalf by:

P D Weldon
Director
9 July 2019

Stonehage Fleming Trustee Co. Limited
Registered Number 04108889

Independent auditors' report to the members of Stonehage Fleming Trustee Co. Limited

Report on the audit of the financial statements

Opinion

In our opinion, Stonehage Fleming Trustee Co. Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- 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 Statement of Financial Position as at 31 March 2019; the Statement of Comprehensive Income, the Cash Flow Statement, and the Statement 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 company 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 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 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 company'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 company and its 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 5, 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 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 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 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 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 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
9 July 2019

STONEHAGE FLEMING

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £'000	2018 £'000
Turnover	2	64	116
Administrative expenses		(64)	(116)
Operating profit	3	-	-
Interest receivable and similar income		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-

The above results are all attributable to continuing operations.

The notes to the financial statements on pages 11 to 19 form an integral part of these financial statements.

STONEHAGE
FLEMING

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2019

	Note	2019 £'000	2018 £'000
Current assets			
Trade and other receivables	7	8	30
Cash at bank and in hand		40	110
		48	**140**
Current liabilities			
Trade and other payables	8	(29)	(121)
Net assets		**19**	**19**
Equity			
Called up share capital	10	1,000	1,000
Accumulated Losses		(981)	(981)
Total equity		**19**	**19**

The notes to the financial statements on pages 11 to 19 form an integral part of these financial statements.

The financial statements on pages 8 to 19 were approved by the Board of Directors on 9 July 2019 and were signed by its order by:

P D Weldon
Director
9 July 2019

Stonehage Fleming Trustee Co. Limited
Registered Number 04108889

STONEHAGE FLEMING

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

	Called up share capital £'000	Accumulated losses £'000	Total equity £'000
Total equity at 1 April 2017	**1,000**	**(981)**	**19**
Total comprehensive income for the year ended 31 March 2018	-	-	-
Total equity at 31 March 2018	**1,000**	**(981)**	**19**
Total comprehensive income for the year ended 31 March 2019	-	-	-
Total equity at 31 March 2019	**1,000**	**(981)**	**19**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	2019 £'000	2018 £'000
Operating activities		
Profit on ordinary activities before taxation	-	-
Changes in working capital		
Decrease/(increase) in trade and other receivables	22	(2)
(Decrease)/increase in trade and other payables	(92)	14
Net cash flows (used in) / generated from operating activities	**(70)**	**12**
Net (decrease)/increase in cash and cash equivalents	**(70)**	**12**
Cash and cash equivalents at 1 April	110	98
Cash and cash equivalents at 31 March	**40**	**110**

The notes to the financial statements on pages 11 to 19 form an integral part of these financial statements.

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

1. Principal accounting policies

a) Basis of preparation

- Compliance with IFRS

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

- Historical cost convention

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

- certain financial assets and liabilities (including derivative instruments) measured at fair value
- assets held for sale – measured at fair value less cost of disposal

- New standards adopted by the Company

The Company 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 Company's accounting policies related to financial assets and liabilities and has had no impact on the Statement of Comprehensive Income.

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 Company's financial assets and financial liabilities as at 1 April 2018.

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

1. Principal accounting policies (continued)

a) Basis of preparation (continued)

Financial assets and liabilities 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
Current trade and other receivables	7	Loans and receivables	Financial asset at amortised cost	30	30
Cash and cash equivalents		Loans and receivables	Financial asset at amortised cost	110	110
Short term trade payables	8	Other financial liabilities	Financial liability at amortised cost	121	121

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

- Classification and measurement or
- Loss allowances

The Company recognises a loss allowance when a debtor has not made contractual payments for a period of greater than 365 days past due. The Company 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 Company considers that forward looking information such as macroeconomic factors will have an immaterial impact on the expected credit losses of the Company.

No restatement of the prior year financial statements has been necessary as a result of the application of IFRS 9.

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 Company with effect from 1 April 2018. The Company is aware that the impact on annual reporting is not material and mainly related to fixed fee services provided to customers.

The Company 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 and the comparative figures have not been restated.

b) Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic' Report on page 2 and in the Annual Report and Financial Statements of Stonehage Fleming (UK) Limited.

The Company meets its day to day working capital requirements through its cash resources.

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

1. Principal accounting policies (continued)

b) Going concern (continued)

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash.

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

c) Turnover

Turnover comprises fee income receivable for the provision of trustee and associated family office services. Trustee fees are recognised on an accruals basis as the Company becomes contractually entitled to such income.

d) Accrued income

Accrued income represents the billable provision of services to clients which has not been invoiced at the reporting date. Accrued income is recorded based on agreed fees billed in arrears. Management assesses the recoverability of accrued income on an individual basis taking into account an assessment of the client's financial position, the aged profile of the client's trade debtors and historical recovery rates.

e) 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 Statement of Financial Position.

f) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any provision for impairment. Trade and other receivables with maturities greater than twelve months after the Statement of Financial Position date are classified as non-current assets.

h) Trade and other payables

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

i) Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents include cash in hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

1. **Principal accounting policies (continued)**

j) **Other financial assets**

From 1 April 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVPL), and
- those to be measured at amortised cost.

Investments in equity instruments are measured at fair value and all movements in fair value are recognised through the profit and loss.

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows,
- and the contractual terms give rise to cash flows that are solely payments of principal and interest.

The amortised cost of a financial asset or financial liability is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

If a financial asset is held with the objective of both holding to collect contractual cash flows and selling the asset and the terms of the asset gives rise to cash flows that are solely payments of principal and interest the asset will be measured at fair value through other comprehensive income. The Company does not hold any assets within this category.

Assets which do not meet either of these business models are held at fair value through the profit and loss.

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

k) **Investments held at fair value**

Investments are shown at cost less provision for any impairment. Impairment provisions are reviewed annually.

l) **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 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.

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

1. Principal accounting policies (continued)

m) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. There have been no actual adjustments this year as a result of an error or change in previous estimates.

The estimates and assumptions that could have a significant effect upon the Company's financial results is the impairment of trade receivables (further information is in Note 7). The Directors set appropriate assumptions in forming these judgements and exercise appropriate caution when doing so.

n) 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 Company. The Company'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 Company does not hold any operating leases and therefore the adoption of this standard will not impact the Company's Statement of Financial Position or Statement of Comprehensive Income.

2. Turnover

The Company's activities consist solely of trustee, and associated family office services, in the UK.

3. Operating profit

Salary costs are not borne directly by the Company but are recharged to the Company by Stonehage Fleming Services Limited. Stonehage Fleming Services Limited charges the Company for central services. This includes audit costs in respect of the Company. Total charges for the year amounted to £7k (2018: £6k), including auditors' remuneration as follows:

	2019 £'000	2018 £'000
Auditors' remuneration		
Audit services – statutory reporting	7	6

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

4. Directors' emoluments

Stonehage Fleming Services Limited pays salaries to and makes pension contributions on behalf of the Directors of the Company. No Directors' fees for services of Directors of the Company were paid by this Company.

	2019 £'000	2018 £'000
Aggregate emoluments	56	153
Company contributions to pension scheme	5	21
	61	**174**
Highest paid Director		
Aggregate emoluments	38	134
Company contributions to pension scheme	5	21
	43	**155**

Aggregate remuneration includes cash allowances in lieu of pension contributions.

Retirement benefits are provided to 1 Director (2018: 1) under a defined contribution pension scheme.

5. Employees

The company has no employees (2018: none).

6. Tax on profit on ordinary activities

	2019 £'000	2018 £'000
Current tax:		
UK Corporation tax on profit for the year	-	-
Total tax charge for the year	-	-

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

Factors affecting tax charge

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation	-	-
Profit on ordinary activities before taxation multiplied by the standard rate of Corporation tax in the UK of 19% (2018: 19%)	-	-
Total tax charge for the year	-	-

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

7. Trade and other receivables

	2019 £'000	2018 £'000
Amounts owed by group undertakings	2	-
Prepayments and accrued income	6	30
	8	**30**

Trade debtors are stated net of a provision for doubtful debts of £nil (2018:£nil).

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

8. Trade and other payables

	2019 £'000	2018 £'000
Amounts owed to group undertakings	15	-
Taxation and social security	1	5
Accruals and deferred income	13	116
	29	**121**

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

9. Financial risk management

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include 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. Management does not consider this risk to be material risk for the business.

Interest rate risk
The Company'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 Company does not have any exposure to foreign currencies. The Company reviews its foreign exchange exposures and ensures that these are managed as appropriate. Management does not consider this risk to be a material to the business.

Price risk
The majority of the Company's income arises from ad valorem fees earned on assets administered for clients. Such income is affected by the impact of movements in securities markets on the values of the underlying assets. It is not currently the policy of the Company to seek to reduce the exposure of the Company through hedging mechanisms.

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

9. Financial risk management (continued)

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 Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and deposits with banks. The Company monitors its credit exposures and ensures that these are managed as appropriate.

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

Liquidity risk

Liquidity risk includes the risk that, as a result of liquidity requirements in the future, the Company will be forced to sell financial assets at a potentially unfavourable value or may be unable to exit these positions at all, or the Company 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.

10. Called up share capital

	2019 £'000	2018 £'000
Authorised		
1,500,000 (2018: 1,500,000) ordinary shares of £1 each	1,500	1,500
	1,500	**1,500**
Allotted and fully paid		
1,000,000 (2018: 1,000,000) ordinary shares of £1 each	1,000	1,000
	1,000	**1,000**

11. Contingencies

The Company 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 (2018: none).

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

12. Related party transactions

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	-	-	-	-
	2018	-	-	-	-
Entities with significant influence over the entity **	2019	-	-	-	-
	2018	-	-	-	-
Fellow subsidiaries	2019	19	14	2	15
	2018	-	100	-	-
Key management personnel of The Company or its Parent	2019	-	-	-	-
	2018	-	-	-	-

* These amounts are classified as trade receivables and trade payables, respectively (see Notes 7 and 8).
**Entities with significant influence over the Company are considered to be entities that control the Parent Company *either directly or indirectly.*

13. Capital Structure

The Company'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 Company considers its capital to be its total equity as shown on the Statement of Financial Position.

14. Ultimate parent undertaking

The immediate parent undertaking and controlling party of the Company is Stonehage Fleming (UK) Limited, a company incorporated in England (registered number 4006741). 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.

15. Events after the financial year

No events occurred after the financial year that required adjustment or disclosure in the financial statements.