

Gradient Capital Limited

Report And Financial Statements

31 July 2014

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COMPANIES HOUSE

COMPANY INFORMATION

Director	S W Pagel
Company secretary	G T O'Connor
Registered number	04244802
Registered office	52 Cornhill London EC3V 3PD
Independent auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
Bankers	Barclays Bank Plc 26 Minories London EC3N 1BQ

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JULY 2014**

The director presents his report and the financial statements for the year ended 31 July 2014.

Director

The director who served during the year was:

S W Pagel

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

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

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 November 2014 and signed on its behalf.


S W Pagel
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRADIENT CAPITAL LIMITED

We have audited the financial statements of Gradient Capital Limited for the year ended 31 July 2014, set out on pages 3 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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 director and auditors

As explained more fully in the Director's responsibilities statement, the director is 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

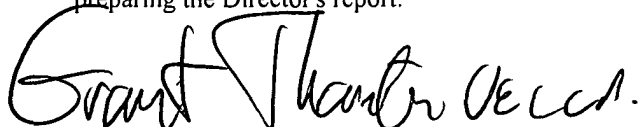
Opinion on other matter prescribed by the Companies Act 2006

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.



Marcus Swales (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

30 Finsbury Square

London

EC2P 2YU

20 November 2014

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2014**

	Note	2014 £	2013 £
TURNOVER	1	298,511	417,356
Administrative expenses		(284,295)	(397,482)
OPERATING PROFIT	2	14,216	19,874
Interest payable and similar charges		(51)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,165	19,874
Tax on profit on ordinary activities	3	(2,833)	(4,050)
PROFIT FOR THE FINANCIAL YEAR	12	11,332	15,824

The notes on pages 5 to 9 form part of these financial statements.

BALANCE SHEET
AS AT 31 JULY 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	4		1,967		3,562
Investments	5		1,032,392		1,032,392
			<u>1,034,359</u>		<u>1,035,954</u>
CURRENT ASSETS					
Debtors	6	2,212,122		2,546,768	
Cash at bank		353,541		-	
		<u>2,565,663</u>		<u>2,546,768</u>	
CREDITORS: amounts falling due within one year	7	(508,555)		(547,440)	
NET CURRENT ASSETS			2,057,108		1,999,328
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,091,467</u>		<u>3,035,282</u>
CREDITORS: amounts falling due after more than one year	8		(18,728)		(18,728)
PROVISIONS FOR LIABILITIES					
Other provisions	10		(2,148,090)		(2,103,237)
NET ASSETS			<u>924,649</u>		<u>913,317</u>
CAPITAL AND RESERVES					
Called up share capital	11		2		2
Profit and loss account	12		924,647		913,315
SHAREHOLDERS' FUNDS			<u>924,649</u>		<u>913,317</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 November 2014.



S W Pagel
Director

The notes on pages 5 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

At the time of approving the company's financial statements it is the director's judgement that the company has sufficient resources to continue trading for the foreseeable future.

1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of value added tax.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% on cost
Office equipment	-	20% on cost

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

2. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the company	1,595	1,975
Auditors' remuneration	10,500	7,200
	<u>12,095</u>	<u>9,175</u>

During the year, no director received any emoluments (2013 - £NIL).

3. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	2,916	3,905
Deferred tax (see note 9)		
Origination and reversal of timing differences	(83)	145
Tax on profit on ordinary activities	<u>2,833</u>	<u>4,050</u>

4. TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures and fittings £	Total £
Cost			
At 1 August 2013 and 31 July 2014	102,281	26,008	128,289
Depreciation			
At 1 August 2013	98,719	26,008	124,727
Charge for the year	1,595	-	1,595
At 31 July 2014	100,314	26,008	126,322
Net book value			
At 31 July 2014	1,967	-	1,967
At 31 July 2013	3,562	-	3,562

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

5. FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost	
At 1 August 2013 and 31 July 2014	1,032,392
Net book value	
At 31 July 2014	1,032,392
At 31 July 2013	1,032,392

Unlisted investments include a £1,000,000 (2013 - £1,000,000) investment in Gradient Capital Partners LLP, which represents a holding of 25.4% (2013 - 27.1%) of the members' capital.

6. DEBTORS

	2014 £	2013 £
Amounts owed by related undertakings	-	295,010
VAT repayable	13,905	97,872
Other debtors	2,197,534	2,153,286
Deferred tax asset (see note 9)	683	600
	<u>2,212,122</u>	<u>2,546,768</u>

Included in other debtors is £28,257 (2013 - £28,257) in respect of a rent deposit which is recoverable after more than one year.

7. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	-	318,790
Amounts owed to related undertakings	269,031	-
Corporation tax	2,997	3,986
Other creditors	-	1,181
Director's current account	236,527	223,483
	<u>508,555</u>	<u>547,440</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

8. CREDITORS:

Amounts falling due after more than one year

	2014	2013
	£	£
Loans from directors	18,728	18,728

9. DEFERRED TAX ASSET

	2014	2013
	£	£
At beginning of year	600	600
Released during year (P&L)	83	-
At end of year	683	600

The deferred tax asset is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	683	600

10. PROVISIONS

	Other Provisions
	£
At 1 August 2013	2,103,237
Provided during the year	44,853
At 31 July 2014	2,148,090

Other Provisions

Other provisions relate to the total amount payable, including interest, following a change of assessment by HM Revenue and Customs in respect of the company's Employee Benefit Trust. Other debtors in note 6 includes the same amount of £2,148,090 (2013 - £2,103,237) as the liability will be wholly reimbursed by the beneficiaries of the Employee Benefit Trust.

11. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

12. RESERVES

	Profit and loss account £
At 1 August 2013	913,315
Profit for the financial year	11,332
At 31 July 2014	<u>924,647</u>

13. OPERATING LEASE COMMITMENTS

At 31 July 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	<u>54,000</u>	<u>54,000</u>

14. RELATED PARTY TRANSACTIONS

The company is a member of Gradient Capital Partners LLP, a UK limited liability partnership whose registered office is 52 Cornhill, London, EC3V 3PD. Under the terms of the Partnership Agreement dated 9 October 2001 the company is entitled to be reimbursed by the partnership for expenses which it has incurred on behalf of the partnership. During the period the company was reimbursed £298,511 (2013 - £417,356).

As at 31 July 2014 £269,031 (2013 - £295,010 due from) was due to the partnership in respect of expenses recharged.

15. CONTROLLING PARTY

The company is owned and controlled by the director S W Pagel.