

Foster Denovo Group Plc

Report and Financial Statements

Year Ended

31 December 2014

Company Number 06033941

Foster Denovo Group Plc

Report and financial statements for the year ended 31 December 2014

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Directors

R N Brosch
K A Carby
P A Dunne
A R Jordache
H M Lovett
A Taylor

Secretary and registered office

P A Dunne, 1st Floor, 8 Eastcheap, London, EC3M 1AE

Company number

06033941

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

Barclays Bank PLC, Barclays Business Centre, PO Box 100, Leeds, LS1 1PA

Foster Denovo Group Plc

Strategic report for the year ended 31 December 2014

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2014.

Results

	2014 £'000	2013 £'000
Turnover	26,396	24,974
Gross profit	12,807	11,774
Operating expenses	11,170	11,564
Operating profit	1,636	210
Profit before taxation	1,636	246
Taxation	434	109
Profit after tax	1,202	137

The results for the year are set out on page 9. The profit for the year, before taxation is £1,635,919 (2013 - £245,902). The Directors recommend that no dividend is paid (2013 - £Nil). The result before taxation for each trading subsidiary in the Group was as follows:

- Foster Denovo Limited £1,335,303
- Foster Denovo Enrolsme Limited (£91,626)
- Foster Denovo Event Management Limited (£127,791)
- Foster Denovo Group Services Limited £116,373
- Sequel Investments Limited £533,597

Note 1 includes details of key policies used in the preparation of the Company's Consolidated financial statements.

Trading from the balance sheet date to the date of this report is in line with the directors' expectations for 2015.

Overview

The Company is incorporated and domiciled in England & Wales and is a holding company for five trading subsidiaries and two non-trading subsidiaries (together the "Group"):

- Foster Denovo Limited ("FDL") – a financial adviser directly regulated by the Financial Conduct Authority ("FCA");
- Foster Denovo Enrolsme Limited ("Enrolsme") – a provider of an on line auto-enrolment solution for workplace pensions;
- Foster Denovo Event Management Limited ("FDEML") – the manager of events for Foster Denovo Limited's advisers (now ceased trading);
- Foster Denovo Group Services Limited ("FDGSL") – a supplier of services (including personnel) to associated group companies and third parties;
- Sequel Investments Limited ("Sequel") – a sponsor of a range of investment funds;
- Foster Denovo Regulatory Services Limited – dormant; and
- Second sight UK Limited – dormant.

The majority of the Group's revenues are currently derived from Foster Denovo Limited. Foster Denovo Group Plc, as a stand-alone company, did not trade in 2014.

Foster Denovo Group Plc

Strategic report for the year ended 31 December 2014 (*continued*)

Review of business

Foster Denovo Limited

As at 1 January 2014, FDL had 90 financial advisers, which number had decreased to 76 at the balance sheet date. The average productivity during the year decreased overall by 6.7% to £234,000 (2013: £251,000) but increased by 11.63% to £179,000 (2013: £161,000) across its non-employee benefits advisers following changes to employee benefits remuneration models imposed by the Department for Work and Pensions ("DWP") announcements following the Retail Distribution Review ("RDR").

The Directors monitor key performance indicators on a regular basis in order to track and improve FDL's business performance, liquidity and solvency position. These indicators include new business production, expenses, cash flow, solvency and production per adviser. A key monitoring tool is the regular review by FDL's Compliance and Risk Management Committee, chaired by A Taylor, of the performance of individual advisers which covers the required business standards regarding treating customers fairly and quality of advice.

Sequel Investments Limited

The primary measure by which the performance of Sequel is monitored (in addition to profit and loss, cashflow and balance sheet) is through funds under management in the OEIC and the pension funds.

As at 31 December 2014, funds under management in the OEIC, stood at £138,482,000 (2013: £115,181,000) and advised upon in the pension funds were £81,991,000 (2012: £57,944,000).

During 2014, Sequel successfully relaunched an income fund under the OEIC and made a strategic decision not to progress with its previous plans to launch passive funds.

Foster Denovo Enrolsme Limited

Having been incubated by FDGSL during 2013 and 2014, Enrolsme's product went live during August 2014 with its first sale being completed during the same month. Enrolsme has now released v2 and v3 which include a second pension provider and functionality to support introducers. Sales have now been completed without the need for personal guidance. Financing has been secured from the Company in order to fund Enrolsme's marketing plans in 2015 in line with its longer term business plan.

Foster Denovo Event Management Limited

Given the implications of the RDR for the business of FDEML, the primary activity of FDEML in 2013 moved towards the provision of management information to, rather than the raising of sponsorship from, providers of financial products and, as such, FDEML's revenues, as anticipated, reduced materially resulting in a loss for the period. In the light of this and further guidance issued by the FCA in relation to inducements, the Directors considered the ongoing activity of FDEML and determined that FDEML should cease trading in 2014.

Business Developments

On 16 January 2015, FDL completed the acquisition of the employee benefits business of Mr Ian Bird. At the same time, Mr Bird became an employee of FDGSL with responsibility for Employee Benefits & Charities. FDL intends to integrate the operations of Mr Bird with its own "Secondsight" employee benefits operations during 2015.

On 1 April 2015, FDL announced that it had entered into an arrangement with Friends Life to provide advice to Friends Life customers predominantly in relation to their retirement planning in the context of pensions freedom and choice resulting from changes in legislation introduced in the budget. FDL anticipates that this will contribute to revenue and profitability during 2015.

Future developments

During 2015, Sequel intends to launch further income funds in the light of pensions freedom and choice and Enrolsme intends to focus its efforts on marketing activities in line with its business plan to increase sales and revenues.

Foster Denovo Group Plc

Strategic report for the year ended 31 December 2014 (*continued*)

Future developments (*continued*)

Looking ahead, the Directors continue to expect the future financial advice market to move towards increased consolidation. This will be driven by the impact of regulatory changes such as the RDR and DWP-led changes in the employee benefits market. The recent announcement of the closure of the Sesame network is indicative of these trends. At the same time, the Group sees the demand for financial advice increasing, whether through legislative change such as that leading to pensions freedom and choice or through employers seeking to provide financial education and access to advice in the workplace. The scale and resources available to the Group mean that it is well placed to take advantage of resulting opportunities as they arise as a result of these trends.

Principal risks, uncertainties and financial instruments

The business of FDL is active in the sale of regulated financial products and advises clients as to their suitability. As a consequence, FDL's activities are regulated which gives rise to a number of risks, including censure by the FCA. Such risks may manifest themselves financially through compensation payable regarding the sale of financial products (see notes 10 and 14). FDL operates a strict compliance regime, including regular audits of financial advisers, to mitigate such risks and has arranged professional indemnity insurance which conforms to the requirements of the FCA.

FDL receives commission from some providers on an indemnity basis and these may become repayable in the event that a policy is cancelled or amended subsequent to its sale. Where such clawbacks of commission occur, FDL recharges a proportion of such amounts to the relevant financial adviser (see notes 10 and 14). As a consequence, to mitigate the risk of accepting commission on an indemnity basis, FDL monitors such activity and the ability of its financial advisers to service their clawback liabilities. As a result of the changes brought about by RDR, the proportion of revenue derived on an indemnity basis has decreased significantly with resulting a resulting decrease in associated provisions. The Directors anticipate that these provisions may reduce further in 2015 and beyond.

Competitive risk is a continuing risk to FDL, which could result in it losing business to its competitors. FDL manages this risk by providing an excellent service to its clients and adding value to its advisers, having fast response times not only in supplying services and products, but in handling all adviser queries and by maintaining strong relationships with them.

The principal risks and uncertainties of Sequel relate to the level of fund inflows generated by financial advisers, their retention thereafter and, of course, the performance of the OEIC and the pension funds, to which the first two are inextricably linked. Sequel manages this risk by ensuring that the investment proposition continues to meet the needs of customers and by engaging strongly and continuously with financial advisers to that end.

The principal risks and uncertainties of Enrolsme relate to the generation of sufficient sales revenues to meet its ongoing costs and repay the investment of the Company. Enrolsme manages this risk by ensuring that its proposition continues to meet the needs of customers and by engaging strongly and continuously with business connections and by deploying digital marketing strategies.

In common with all other businesses, the Group holds or issues financial instruments to finance its operations and is exposed to risks that arise from its use of those financial instruments. Various financial instruments such as trade debtors and trade creditors arise directly from the Group's operations. The Group does not enter into hedging agreements.

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Directors monitor this risk by reviewing projected cash flow requirements and ensuring that the Company maintains sufficient working capital to ensure that its requirements are met on a day-to-day basis.

Foster Denovo Group Plc

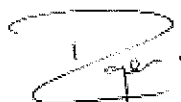
Strategic report for the year ended 31 December 2014 (*continued*)

Policy and Practice on the payment of creditors

It is the policy of the Group to pay all trade creditors by the last working day of the month following that in which the goods or services are invoiced or on maturity day, whichever comes first, unless alternate credit terms have been agreed. In this case, the Group pays its suppliers in accordance with those agreed terms and conditions, provided that all trading terms and conditions have been complied with.

The average number of creditor days in relation to the Group's suppliers' balances outstanding at 31 December 2014 was 37 (2013: 54).

On behalf of the board



R N Brosch
Director
30 June 2015

Foster Denovo Group Plc

Report of the directors for the year ended 31 December 2014

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

Results and dividends

The profit and loss account is set out on page 9 and shows the profit for the year.

Directors

The directors of the company during the year were:

R N Brosch
K A Carby
P A Dunne
A R Jordache
H M Lovett (appointed 30 January 2014)
A Taylor

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

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

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

Foster Denovo Group Plc

Report of the directors for the year ended 31 December 2014 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

In accordance with the provisions of the Companies Act legislation the Company has dispensed with the obligation to appoint auditors annually.

On behalf of the board



R N Brosch
Director
30 June 2015

Foster Denovo Group Plc

Independent auditor's report

To the members of Foster Denovo Group Plc

We have audited the financial statements of Foster Denovo Group Plc for the year ended 31 December 2014 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (FRC'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 FRC'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 group's and the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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


Foster Denovo Group Plc

Independent auditor's report (continued)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Vanessa-Jayne Bradley (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

30 June 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Foster Denovo Group Plc

Consolidated profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	26,396,170	24,973,990
Cost of sales		13,589,555	13,199,653
Gross profit		12,806,615	11,774,337
Administrative expenses		11,170,227	11,563,995
Group operating profit	3	1,636,388	210,342
Other interest receivable and similar income	6	9,198	42,094
Interest payable and similar charges	7	(9,667)	(6,534)
Profit on ordinary activities before taxation		1,635,919	245,902
Taxation on profit on ordinary activities	8	433,567	109,097
Profit on ordinary activities after taxation		1,202,352	136,805
Minority interest		12,106	-
Profit for the financial year	18	1,214,458	136,805

All amounts relate to continuing activities.

The notes on pages 15 to 34 form part of these financial statements.

Foster Denovo Group Plc

Consolidated statement of total recognised gains and losses for the year ended 31 December 2014

	Note	2014 £	2013 £
Consolidated statement of total recognised gains and losses			
Profit for the financial year		1,214,458	136,805
Share based payments		102,839	28,596
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		1,317,297	165,401
		<hr/>	<hr/>

The notes on pages 15 to 34 form part of these financial statements.

Foster Denovo Group Plc

Consolidated balance sheet at 31 December 2014

<i>Company number 06033941</i>	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Intangible assets	10		1,027,170		1,263,633
Tangible assets	11		462,528		423,706
			<hr/>		<hr/>
			1,489,698		1,687,339
Current assets					
Debtors - due within one year	13	5,431,625		4,643,408	
Debtors - due after more than one year	13	186,124		186,124	
		<hr/>		<hr/>	
Total debtors		5,617,749		4,829,532	
Cash at bank and in hand		7,390,656		6,334,437	
		<hr/>		<hr/>	
		13,008,405		11,163,969	
Creditors: amounts falling due within one year	14	3,869,150		3,460,044	
		<hr/>		<hr/>	
Net current assets			9,139,255		7,703,925
			<hr/>		<hr/>
Total assets less current liabilities			10,628,953		9,391,264
Creditors: amounts falling due after more than one year	15	153,321		128,124	
Provisions for liabilities	16	3,537,714		3,731,873	
		<hr/>		<hr/>	
			3,691,035		3,859,997
			<hr/>		<hr/>
			6,937,918		5,531,267
			<hr/>		<hr/>

The notes on pages 15 to 34 form part of these financial statements.

Foster Denovo Group Plc

Consolidated balance sheet at 31 December 2014 (continued)

	Note	2014 £	2014 £	2013 £	2013 £
Capital and reserves					
Called up share capital	17		616,792		601,502
Share premium account	18		1,919,329		1,833,169
Profit and loss account	18		4,413,893		3,096,596
Shareholders' funds	19		6,950,014		5,531,267
Minority interests			(12,096)		-
			6,937,918		5,531,267

The financial statements were approved by the board of directors and authorised for issue on 30 June 2015



R N Brosch
Director

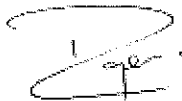
The notes on pages 15 to 34 form part of these financial statements.

Foster Denovo Group Plc

Company balance sheet at 31 December 2014

<i>Company number 06033941</i>	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Fixed asset investments	12		2,405,911		2,405,821
Current assets					
Debtors	13	1,506,826		1,506,844	
Cash at bank and in hand		101,335		-	
		<u>1,608,161</u>		<u>1,506,844</u>	
Creditors: amounts falling due within one year	14	<u>101</u>		<u>-</u>	
Net current assets			<u>1,608,060</u>		<u>1,506,844</u>
Total assets less current liabilities			<u>4,013,971</u>		<u>3,912,665</u>
Creditors: amounts falling due after more than one year	15		<u>4,053</u>		<u>4,167</u>
			<u>4,009,918</u>		<u>3,908,498</u>
Capital and reserves					
Called up share capital	17		616,792		601,502
Share premium account	18		1,919,329		1,833,169
Profit and loss account	18		1,473,797		1,473,827
Shareholders' funds	19		<u>4,009,918</u>		<u>3,908,498</u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2015



R N Brosch
Director

The notes on pages 15 to 34 form part of these financial statements.

Foster Denovo Group Plc

Consolidated cashflow statement for the year ended 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
Net cash inflow from operating activities	22		1,210,700		771,972
Returns on investments and servicing of finance					
Interest received		9,198		42,094	
Interest paid: other loans		-		(2)	
Interest paid: hire purchase		(9,667)		(6,532)	
Net cash (outflow)/inflow from returns on investments and servicing of finance			(469)		35,560
Taxation					
Corporation tax paid			(51,841)		(295,390)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(207,007)		(411,035)	
Receipts from sale of tangible fixed assets		10,576		-	
Net cash outflow from capital expenditure and financial investment			(196,431)		(411,035)
Cash inflow before use of liquid resources and financing			961,959		101,107
Management of liquid resources (increase)/decrease in short term deposits			-		5,874,890
Financing					
Share capital issued		15,290		1,500	
Share premium thereon		86,160		6,000	
Capital element of finance leases repaid		(7,200)		(52,216)	
Share capital issued to minority interest		10		-	
Net cash inflow/(outflow) from financing			94,260		(44,716)
Increase in cash	23		1,056,219		5,931,281

The notes on pages 15 to 34 form part of these financial statements.

Foster Denovo Group Plc

Notes forming part of the financial statements for the year ended 31 December 2014

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of Foster Denovo Group Plc and all of its subsidiary undertakings as at 31 December 2014 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

Goodwill

Goodwill arising on acquisitions is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss accounts over the Directors' estimate of its useful economic life of between 5 and 10 years. Provision is made for impairment where required.

Turnover

Turnover comprises the value of commissions and fees receivable from product providers, excluding VAT, in the normal course of business. All turnover arises in the United Kingdom. Initial commissions are accounted for when the policies are accepted by the product providers, or mortgages complete, after taking into account provisions for the potential cancellation of policies where commission is received under indemnity terms. Renewal commissions are accounted for when received. Fees for financial advice and administration charges are accounted for as invoiced with accruals being made for work performed but not invoiced. Turnover generated by Foster Denovo Event Management Limited has been recognised in the same accounting period as the event to which it relates.

Depreciation

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset, on a straight line basis over its estimated useful life as follows:

Leasehold improvements	- 4 years
Fixtures and fittings	- 4 years
Computer equipment	- 3 years
Computer software and website development	- 3 and 5 years respectively

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Employee benefit trust ('EBT')

Where held, the cost of Foster Denovo Group plc's shares held by the EBT is deducted from shareholders' funds in the company and the group balance sheet. Any cash received by the EBT on disposal of the shares it holds is also recognised directly in shareholders' funds.

Other assets and liabilities of the EBT (including borrowings) are recognised as assets and liabilities of the company.

Foster Denovo Group Plc

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates that have been enacted or substantially enacted by the balance sheet date.

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

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Share-based payment

Where share options are awarded to employees, and where material, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of

Foster Denovo Group Plc

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Share-based payment (continued)

the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Foster Denovo Group plc operates a convertible loan stock scheme for the advisers. The fair value of the options is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition. The proceeds received from the convertible loan stock scheme are allocated to liabilities until the options are exercised.

Pensions

Contributions to the Group's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable. The assets of the scheme are held separately from those of the Group. There were outstanding contributions of £56,544 at the end of the financial period which are included in accruals (2013 - £40,993).

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2 Turnover, profit and net assets

Turnover is wholly attributable to the principal activity of the group and arises solely within the United Kingdom.

3 Operating profit

	2014 £	2013 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	181,620	130,701
Amortisation of positive goodwill	236,463	230,837
Profit on disposal of tangible fixed assets	-	(80)
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	10,828	6,750
Fees payable to the company's auditor or an associate of the company's auditor for other services:		
- the audit of the company's subsidiaries	92,935	60,201
- taxation advisory services	26,340	19,745
- other non-audit services	39,887	1,020
Share-based payment (see note 20)	102,839	28,596

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

3 Operating profit (continued)

The audit fees for the company were borne by Foster Denovo Group Services Limited as the company did not trade during 2014 and 2013.

4 Employees

Staff costs (including directors) consist of:

	Group 2014 £	Group 2013 £
Wages and salaries	5,742,252	4,895,500
Social security costs	613,874	504,957
Other pension costs	362,686	629,812
	<u>6,718,812</u>	<u>6,030,269</u>

The average number of employees (including directors) during the year was as follows:

	Group 2014 Number	Group 2013 Number
Directors	6	6
Adviser Sales Support	47	39
Advisers	10	10
Administration	120	114
	<u>183</u>	<u>169</u>

5 Directors' remuneration

	2014 £	2013 £
Directors' emoluments	479,762	380,395
Company contributions to money purchase pension schemes	112,026	128,628
	<u>591,788</u>	<u>509,023</u>

The total amount payable to the highest paid director in respect of emoluments was £188,622 (2013 - £185,000). Company pension contributions of £75,400 (2013 - £75,400) were made to a money purchase scheme on their behalf.

Out of the share-based payments charge (see note 20) £74,569 (2013 - £7,865) related to share-based payments to directors.

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

6 Other interest receivable and similar income

	2014 £	2013 £
Bank deposits	2,181	12,350
Other interest receivable	7,017	29,744
	<u>9,198</u>	<u>42,094</u>

7 Interest payable and similar charges

	2014 £	2013 £
Finance leases and hire purchase contracts	9,667	6,532
Other interest payable	-	2
	<u>9,667</u>	<u>6,534</u>

8 Taxation on profit on ordinary activities

	2014 £	2013 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	406,594	133,276
Adjustment in respect of previous periods	(28,057)	(14,772)
	<u>378,537</u>	<u>118,504</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	13,470	(9,407)
Adjustment in respect of previous periods	41,560	-
	<u>55,030</u>	<u>(9,407)</u>
Movement in deferred tax provision		
	<u>433,567</u>	<u>109,097</u>

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

8 Taxation on profit on ordinary activities (*continued*)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	1,635,919	245,902
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.5% (2013 - 23.0%)	351,723	57,157
Effect of:		
Expenses not deductible for tax purposes	69,242	55,803
Capital allowances for period in (excess)/deficit of depreciation	(17,315)	7,100
Adjustment to tax charge in respect of previous periods	(28,057)	(14,772)
Other timing differences	3,689	2,301
Marginal relief	(745)	(1,721)
Differences in tax rates	-	(1,950)
Tax losses carried back	-	14,586
Current tax charge for the year	378,537	118,504

9 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a loss after tax of £30 (2013 - £50,000 profit) which is dealt with in the financial statements of the parent company.

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

10 Intangible fixed assets

Group

	Goodwill on consolidation £
<i>Cost or valuation</i>	
At 1 January 2014 and 31 December 2014	1,893,330
<i>Amortisation</i>	
At 1 January 2014	629,697
Provided for the year	236,463
At 31 December 2014	866,160
<i>Net book value</i>	
At 31 December 2014	1,027,170
At 31 December 2013	1,263,633

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

11 Tangible fixed assets

Group

	Leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Computer software and website costs £	Total £
<i>Cost or valuation</i>					
At 1 January 2014	331,238	323,753	573,089	227,305	1,455,385
Additions	11,495	3,699	69,900	191,803	276,897
Disposals	-	-	(96,033)	-	(96,033)
At 31 December 2014	342,733	327,452	546,956	419,108	1,636,249
<i>Depreciation</i>					
At 1 January 2014	320,309	292,081	285,639	133,650	1,031,679
Provided for the year	5,465	13,383	86,043	76,729	181,620
Disposals	-	-	(39,578)	-	(39,578)
At 31 December 2014	325,774	305,464	332,104	210,379	1,173,721
<i>Net book value</i>					
At 31 December 2014	16,959	21,988	214,852	208,729	462,528
At 31 December 2013	10,929	31,672	287,450	93,655	423,706

The net book value of tangible fixed assets includes an amount of £127,807 (2013 - £149,182) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £25,144 (2013 - £29,084).

12 Fixed asset investments

Company

	Group undertakings £
<i>Cost or valuation</i>	
At 1 January 2014	2,405,822
Additions	89
At 31 December 2014	2,405,911

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

12 Fixed asset investments (*continued*)

Subsidiary undertakings

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Foster Denovo Limited	England and Wales	100%	Financial advice
Foster Denovo Event Management Limited	England and Wales	100%	Event Management
Foster Denovo Group Services Limited	England and Wales	100%	Services Company
Sequel Investments Limited	England and Wales	100%	Sponsor of investment funds
Foster Denovo Enrolsme Limited	England and Wales	90%	Online auto- enrolment solution provider
Foster Denovo Regulatory Services Limited	England and Wales	100%	Dormant
Secondsight UK Limited	England and Wales	100%	Dormant

Additions in the year represent an increase in the investment in Foster Denovo Enrolsme Limited, no new subsidiaries have been acquired.

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

13 Debtors

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Amounts receivable within one year				
Trade debtors	971,575	556,853	-	-
Amounts owed by group undertakings	-	-	1,506,826	1,506,844
Corporation tax recoverable	-	12,703	-	-
Other debtors	3,218,533	3,075,657	-	-
Prepayments and accrued income	1,241,517	975,372	-	-
Deferred taxation (see note 16)	-	22,823	-	-
	<hr/> 5,431,625	<hr/> 4,643,408	<hr/> 1,506,826	<hr/> 1,506,844
Amounts receivable after more than one year				
Other debtors	186,124	186,124	-	-
	<hr/> 5,617,749	<hr/> 4,829,532	<hr/> 1,506,826	<hr/> 1,506,844

Included in other debtors is £445,184 (2013 - £786,321) that relates to potential amounts recoverable from the Group's financial advisers in relation to commission clawbacks (see note 16). Also included in other debtors is £2,737,139 (2013 - £2,225,168) that relates to amounts recoverable from Professional Indemnity Insurers and/or financial advisers in relation to complaints (see note 16).

14 Creditors: amounts falling due within one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade creditors	1,761,569	1,302,102	-	-
Amounts owed to group undertakings	-	-	101	-
Corporation tax	365,123	58,267	-	-
Other taxation and social security	168,599	341,167	-	-
Obligations under finance lease and hire purchase contracts	49,757	12,378	-	-
Other creditors	121,939	42,637	-	-
Accruals and deferred income	1,402,163	1,703,493	-	-
	<hr/> 3,869,150	<hr/> 3,460,044	<hr/> 101	<hr/> -

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

15 Creditors: amounts falling due after more than one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Obligations under finance lease and hire purchase contracts	149,268	123,957	-	-
Other creditors	4,053	4,167	4,053	4,167
	<u>153,321</u>	<u>128,124</u>	<u>4,053</u>	<u>4,167</u>
	<u><u>153,321</u></u>	<u><u>128,124</u></u>	<u><u>4,053</u></u>	<u><u>4,167</u></u>
Maturity of debt:				
			Finance leases 2014 £	Finance leases 2013 £
In one year or less, or on demand			49,757	12,378
			<u>49,756</u>	<u>24,934</u>
In more than one year but not more than two years			99,512	99,023
In more than two years but not more than five years			<u>149,268</u>	<u>123,957</u>
			<u><u>149,268</u></u>	<u><u>123,957</u></u>

Other creditors represent the convertible loan stock which was issued on 30 September 2007, 19 August 2008 and 16 June 2009. The earliest date of redemption was 1 January 2009 and the latest date is 16 June 2019. The amount payable on redemption is 0.05p per share. The conversion is at the option of the holder.

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

16 Provisions for liabilities

Group

	Deferred taxation £	Indemnity commission £	Claims provision £	Total £
At 1 January 2014	-	1,674,015	2,057,858	3,731,873
Transferred from debtors	(22,823)	-	-	(22,823)
Charged/(credited) to profit and loss account	49,464	(80,446)	1,184,450	1,153,468
Utilised in year	-	(819,635)	(505,169)	(1,324,804)
	<u>26,641</u>	<u>773,934</u>	<u>2,737,139</u>	<u>3,537,714</u>
At 31 December 2014	<u>26,641</u>	<u>773,934</u>	<u>2,737,139</u>	<u>3,537,714</u>

Deferred taxation

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Accelerated capital allowances	37,065	(14,214)	-	-
Revaluation surplus	(10,424)	(8,609)	-	-
	<u>26,641</u>	<u>(22,823)</u>	<u>-</u>	<u>-</u>

Provision for indemnity commission

The provision for indemnity commission relates to the expected value of commissions reclaimable by product providers should policies be cancelled after their sale and within their indemnity period. The Directors expect this provision to be utilised over the next 4 years. A proportion of these amounts will usually be recovered from the relevant financial adviser (see note 13). Where the collection of such monies is doubtful, the Group makes an appropriate provision.

Claims payable

in the normal course of business, the Group receives queries and complaints regarding the sale of regulated financial products. Where appropriate these claims are investigated in accordance with the Group's procedures and provision is made for potential liabilities which may arise in respect of them. The provision is made gross of the amount recoverable from Professional Indemnity insurers and/or the financial adviser responsible for giving advice about which the complaint was made (see note 13). The provision is expected to be utilised predominantly in the next financial year.

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

17 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
20,833,155 (2013 -19,304,155) "A" ordinary shares of 1p each	208,322	193,042
20,520,405 "B" ordinary shares of 1p each	205,214	205,204
20,295,567 "G" ordinary shares of 1p each	202,956	202,956
6,000,000 "A" ordinary shares of £1 each of which 0.005p is called up and paid	300	300
	<hr/>	<hr/>
	616,792	601,502
	<hr/>	<hr/>

During the current year 1,529,000 "A" ordinary shares of 1p each, with a nominal value of £15,290, were issued for £10,450, including a premium of £86,160. During the prior year 150,000 "A" ordinary shares of 1p each, with a nominal value of £1,500, were issued for £7,500, including a premium of £6,000.

Rights to dividends, voting rights and priority on winding up

The Ordinary 'A', 'B' and 'G' shares rank *pari passu* in relation to the right to receive the profits of the company available for distribution, to be distributed by way of interim or final dividend at such times as the Directors may determine.

The holders of Ordinary 'A', 'B' and 'G' shares have the right to vote at any general meeting of the company and each shareholder shall have one vote in respect of every share he holds.

The Ordinary 'A', 'B' and 'G' shares shall rank *pari passu* in relation to any winding up, and any surplus assets of the company shall be paid to the holders of these shares.

Deferred Share Subscription Plan

During 2008, 6,000,000 "A" ordinary shares of 1p each with a total nominal value of £60,000 were issued under the Deferred Share Subscription Plan. An initial subscription price of £300, amounting to 0.005p per share was paid. The full subscription price payable on exercise is £300,000, amounting to 5p per share. Subject to meeting performance criteria, the balance of the payment on the deferred shares may be made between 2010 and 2017.

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

17 Share capital (*continued*)

Enterprise Management Incentive Plan

At 31 December 2014 the following share options were outstanding in respect of the ordinary shares:

Date of grant	Number of shares	Period of option	Price per share
30/09/2007	2,676,000	2010-2017	5.0p
19/09/2008	2,000,000	2010-2017	5.0p
19/09/2008	2,029,999	2011-2018	5.0p
07/07/2009	715,000	2012-2019	5.0p
10/06/2011	947,992	2014-2021	5.0p
22/06/2012	1,819,632	2015-2022	5.0p
22/07/2013	358,297	2013-2023	5.0p
22/07/2013	12,500	2014-2023	5.0p
22/07/2013	12,500	2015-2023	5.0p
22/07/2013	21,875	2015-2023	10.0p
22/07/2013	2,498,334	2016-2023	10.0p
22/12/2014	1,154,666	2014-2023	5.0p
22/12/2014	508,250	2016-2024	10.0p
22/12/2014	1,349,000	2017-2024	10.0p

Advisor Share Option Plan

At 31 December 2014 the following share options were outstanding in respect of the ordinary shares:

Date of grant	Number of shares	Period of option	Price per share
16/06/2009	993,438	2012-2019	5.0p
28/05/2010	128,741	2010-2020	5.0p
28/05/2010	50,000	2012-2020	5.0p
10/06/2011	37,500	2012-2021	5.0p
10/06/2011	93,749	2014-2021	5.0p
22/06/2012	44,375	2014-2022	5.0p
22/06/2012	15,000	2015-2022	5.0p
22/07/2013	56,250	2016-2023	5.0p
22/07/2013	3,668,750	2016-2023	10.0p
22/12/2014	230,750	2016-2023	10.0p

Convertible Loan Stock Share Option Scheme

At 31 December 2014 the following share options were outstanding in respect of the ordinary shares:

Date of grant	Number of shares	Period of option	Price per share
30/09/2007	4,111,250	2010-2017	5.0p
19/09/2008	305,000	2011-2017	5.0p
16/06/2009	5,900	2011-2017	5.0p

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

18 Reserves

Group

	Share premium account £	Profit and loss account £
At 1 January 2014	1,833,169	3,096,596
Premium on shares issued during the year	86,160	-
Profit for the year	-	1,214,458
Share-based payment	-	102,839
	<hr/>	<hr/>
At 31 December 2014	1,919,329	4,413,893
	<hr/>	<hr/>

Company

	Share premium account £	Profit and loss account £
At 1 January 2014	1,833,169	1,473,827
Premium on shares issued during the year	86,160	-
Loss for the year	-	(30)
	<hr/>	<hr/>
At 31 December 2014	1,919,329	1,473,797
	<hr/>	<hr/>

19 Reconciliation of movements in shareholders' funds

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Profit/(loss) for the year	1,214,458	136,805	(30)	50,000
Issue of shares	15,290	1,500	15,290	1,500
Premium on shares issued during the year	86,160	6,000	86,160	6,000
Share-based payment	102,839	28,596	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net additions to shareholders' funds	1,418,747	172,901	101,420	57,500
Opening shareholders' funds	5,531,267	5,358,366	3,908,498	3,850,998
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	6,950,014	5,531,267	4,009,918	3,908,498
	<hr/>	<hr/>	<hr/>	<hr/>

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

20 Share-based payments

The Group operates a number of adviser, executive and employee equity settled share based payment schemes and a convertible loan stock share option scheme for advisers. The fair values of these schemes have been assessed in line with FRS 20. The fair values of the schemes are expensed over the period between grant and vesting.

Enterprise Management Incentive Scheme

Foster Denovo Group plc staff share scheme gives staff the opportunity to have shares in the Group. The shares vest to the employees after a 3 year period and after certain non-market performance conditions have been met. The options are lapsed if the employee leaves the Group before the options vest. The scheme is an HMRC approved employee scheme constituted under a trust deed.

	2014 Weighted average exercise price (pence)	2014 Number	2013 Weighted average exercise price (pence)	2013 Number
Outstanding at the beginning of the year	6.2	14,716,627	5.0	11,987,840
Granted during the year	8.1	3,011,916	9.5	3,806,172
Exercised during the year	5.0	(750,000)	5.0	(150,000)
Lapsed during the year	5.0	(874,498)	5.0	(927,385)
Outstanding at the end of the year	6.7	16,104,045	6.2	14,716,627

Adviser Share Option Scheme

The company established the Foster Denovo Group plc Unapproved Share Option Plan in 2009. Options granted to advisers have vesting periods ranging from immediate vesting 4.5 years. Some of the options will vest based on key performance indicators. The options lapse should the adviser cease to be registered through Foster Denovo Limited

	2014 Weighted average exercise price (pence)	2014 Number	2013 Weighted average exercise price (pence)	2013 Number
Outstanding at the beginning of the year	5.0	1,868,116	5.0	2,260,163
Granted during the year	-	-	5.0	57,813
Exercised during the year	5.0	(50,000)	5.0	-
Lapsed during the year	5.0	(399,063)	5.0	(449,860)
	5.0	1,419,053	5.0	1,868,116

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

20 Share-based payments (continued)

Adviser Share Option Scheme 2013 - 2016

	2014 Weighted average exercise price (pence)	2014 Number	2013 Weighted average exercise price (pence)	2013 Number
Outstanding at the beginning of the year	10.0	4,318,000	-	-
Granted during the year	10.0	230,750	10.0	4,318,000
Lapsed during the year	10.0	(649,250)	-	-
	<u>10.0</u>	<u>3,899,500</u>	<u>10.0</u>	<u>4,318,000</u>

Convertible loan stock scheme

This scheme exists to provide incentives to the advisers and to give the advisers the opportunity to own shares in the Group. The vesting periods range from 3 to 10 years. The options lapse should the adviser cease to be registered through Foster Denovo Limited. The advisers could qualify under this scheme until 2008; however, no new grants are expected.

	2014 Weighted average exercise price (pence)	2014 Number	2013 Weighted average exercise price (pence)	2013 Number
Outstanding at the beginning of the year	5.0	5,431,510	5.0	5,716,510
Lapsed during the year	5.0	(726,310)	5.0	(285,000)
Converted during the year	5.0	(229,950)	-	-
	<u>5.0</u>	<u>4,475,250</u>	<u>5.0</u>	<u>5,431,510</u>

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

20 Share-based payments (continued)

The following information is relevant in the determination of the fair value of options granted during the year under the equity-settled share based remuneration schemes operated by Foster Denovo Group Plc.

	2014	2013
Equity-settled	Black-Scholes-Merton	Black-Scholes-Merton
Option pricing model used	10	10
Weighted average contractual life (years)	27.3 %	31.6 %
Expected volatility	0.468% -	
Risk-free interest rate	1.051%	0.6 %
Expected dividend growth rate	0.0 %	0.0 %

The underlying value of the shares was taken as 10.0p (2013 - 10.0p) being the actual market value agreed with HMRC for the purposes of the EMI options granted during 2013. The options were valued using the Black-Scholes-Merton model over the relevant vesting periods and the amounts then distributed across the relevant accounting periods.

The risk free rate for each vesting period was taken as at the date of grant from statistics on government gilts published by HM Treasury.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last 3 years of comparable publicly quoted companies. No dividends were assumed over the vesting period. Failure to vest was based on management's best estimate.

The share-based remuneration expense (note 3) comprises:

	2014 £	2013 £
Equity-settled schemes	102,839	28,596

21 Related party disclosures

Loans and transactions concerning directors and officers of the company

Mr A Jordache, a director of the company during the year, received commissions arising from business transacted with Foster Denovo Limited of £328,623 (2013 - £203,746). These payments were made on an arms-length basis on terms identical to those of other advisers. At the year end an amount of £27,173 (2013 - £22,068) was outstanding.

During 2010, Foster Denovo Group Services Limited entered into a contract for the provision of services with Caerus Wealth Limited (formerly Wilmslow Wealth Limited), a company of which Mr K Carby is a director. In 2014, Caerus Wealth Limited paid Foster Denovo Group Services Limited £146,246 (2013 - £95,360). At the year end an amount of £14,130 (2013 - £7,920) was outstanding.

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

22 Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	1,636,388	210,342
Amortisation of intangible fixed assets	236,463	230,837
Depreciation of tangible fixed assets	181,620	130,701
Loss on sale of tangible fixed assets	45,879	-
(Decrease)/increase in provisions	(220,800)	420,622
(Increase)/decrease in debtors	(823,743)	281,065
Increase/(decrease) in creditors	52,054	(530,191)
Share based payments charge	102,839	28,596
	<hr/>	<hr/>
Net cash inflow from operating activities	1,210,700	771,972
	<hr/>	<hr/>

23 Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase in cash	1,056,219	5,931,281
Cash inflow from changes in debt	7,200	52,216
Cash outflow from changes in liquid resources	-	(5,874,890)
	<hr/>	<hr/>
Movement in net funds resulting from cash flows	1,063,419	108,607
Inception of finance leases	(69,890)	(136,335)
	<hr/>	<hr/>
Movement in net funds	993,529	(27,728)
Opening net funds	6,198,102	6,225,830
	<hr/>	<hr/>
Closing net funds	7,191,631	6,198,102
	<hr/>	<hr/>

Foster Denovo Group Plc

Notes forming part of the financial statements
for the year ended 31 December 2014 *(continued)*

24 Analysis of net funds

	At 1 January 2014 £	Cash flow £	Other non- cash items £	At 31 December 2014 £
Cash at bank and in hand	6,334,437	1,056,219	-	7,390,656
Finance leases	(136,335)	7,200	(69,890)	(199,025)
		<u>7,200</u>		
Total	<u>6,198,102</u>	<u>1,063,419</u>	<u>(69,890)</u>	<u>7,191,631</u>