Strategy on track

Interim report and accounts 2017

Focusing on you

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Who we are

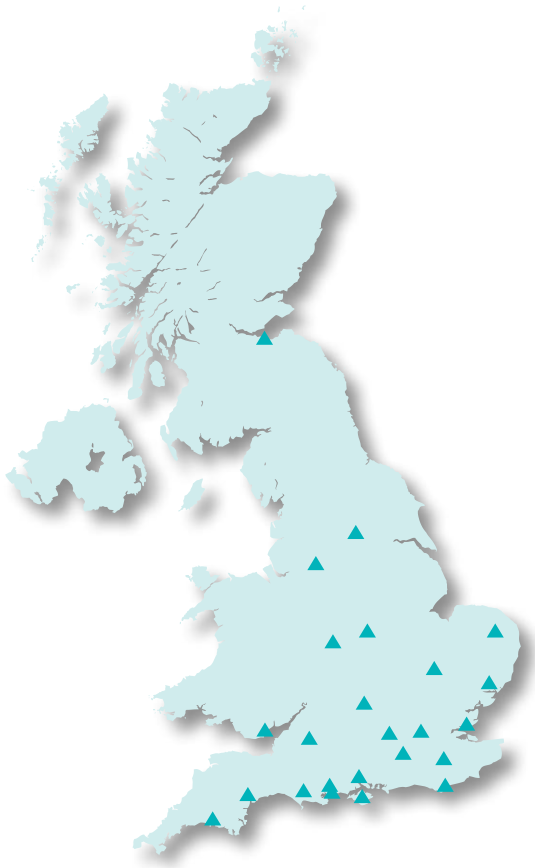
Charles Stanley works for you. We take on your financial goals as our own, applying technological expertise and deep market insight founded on genuine personal relationships. We can provide advice for your savings and investments, manage them on your behalf, or support you in managing them yourself. Whatever works best for you.

Our focus on clients has endured since the foundation of Charles Stanley in 1792 and has helped make us one of the UK's leading wealth managers. We are independently owned, so our interests lie with you and not others. In a market overwhelmed by complexity and looking for trust, our unwavering focus on you has become recognised as a model for the future.

For more information visit charles-stanley.co.uk

Where we are

We operate in 24 locations.



At a glance

Group highlights

- Steady improvement in overall performance
- Group returned to profits
- Consultation over investment managers variable remuneration concluded
- Implementation of strategic plans gathering pace with focus on improved execution
- 1H 2017 dividend maintained at 1.5p per share

Financial highlights

Profit before tax from Core Business[1]

1H 2017	£4.2m
1H 2016	£3.5m

Reported profit before tax

1H 2017	£3.6m
1H 2016	£2.0m

Earnings per share from Core Business

1H 2017	6.86p
1H 2016	6.12p

Reported earnings per share

1H 2017	4.44p
1H 2016	3.04p

Dividend per share

1H 2017	1.5p
1H 2016	1.5p

Business highlights

FuMA

1H 2017	£22.5bn
1H 2016	£20.0bn

Discretionary funds

1H 2017	£10.6bn
1H 2016	£8.9bn

Fees from Core Business

1H 2017	£44.5m
1H 2016	£44.0m

Revenue from Core Business

1H 2017	£68.8m
1H 2016	£70.8m

[1] Core Business represents the Group's four main operating divisions being Investment Management Services, Asset Management, Financial Planning and Charles Stanley Direct.

Recent Charles Stanley awards

FT & Investors Chronicle Stockbroker of the Year Award 2016

FT & Investors Chronicle Best Full Service Stockbroker of the Year Award 2016

FT & Investors Chronicle Best ISA Provider of the Year Award 2016

Chief Executive's report

Paul Abberley
Chief Executive Officer

Profits before tax for the first half were up 80% to £3.6 million. This improvement in profitability is indicative of the momentum in the turnaround strategy that was implemented last year.

The initial phase of this turnaround strategy had four parts to strengthen the balance sheet and return the Group to profitability; dispose of non-core assets; focus on core activities that will allow us to deliver high levels of customer satisfaction; and review the remuneration structures.

We are now profitable, have disposed of loss-making non-core activities and developed detailed strategic implementation plans for our divisions to provide the holistic wealth management services that our customers want.

The final strand of this initial phase was to finalise the consultation with our investment management teams regarding the methodology used to calculate their variable remuneration and their contractual terms.

Remuneration consultation process completed

We are delighted to announce that this process has been concluded and we can now transition to the revised financial arrangements. These will come into force at the beginning of the next financial year.

We have put in place two schemes, one for employed investment managers and one for self-employed associates, and whilst there are differences between the two, they are both profit focused and include specific measures to ensure conduct based behaviour is considered.

It has always been the intention of Charles Stanley to reach an agreement that allows us to work collaboratively with our investment managers, and establish a long-term framework that lets all stakeholders benefit from the ongoing prospects of the Group. I would like to thank our investment managers for their support and our shareholders for their patience as we concluded this important milestone in our turnaround programme.

As part of the arrangements, for the employed teams only, we are seeking shareholder approval for the implementation of a share plan up to 5% of the current issued share capital of the Company. A separate announcement containing details of the scheme has been made today and a shareholder circular will be posted to shareholders shortly.

Focus on driving organic growth

The completion of the remuneration consultation process will allow us to focus now on driving organic growth within the business. We are seeing the signs of revenue growth across all our divisions and in order to maintain the momentum that we have already achieved within the business, we are putting our strategic implementation plan in to practice. To that end, the management teams of each of the four main operating divisions have been restructured, in some instances augmented, and they are driving the strategy execution for their area.

Continue to implement efficiencies

Inevitably this restructuring highlights resourcing and prioritisation issues, so a change management office has been formed to manage key projects more closely. Their role is to ensure proper cost benefit analysis is done at the outset and then to manage key change projects through to delivery. Ultimately the aim is to ensure focused change management and to accelerate the programme through improved execution.

Early evidence of this working in practice during the first half has included a streamlined lead management and new client set-up process for the Investment Management Services division, and a much-improved digital client onboarding process, repricing and mobile-optimised website for Charles Stanley Direct. It has also been reflected through the consolidation of our London offices into 55 Bishopsgate which has been completed seamlessly and within budget. Bringing all our London based staff under one roof will improve internal communication and help us drive the pace of change.

Charles Stanley has also worked hard to improve its profitability through the careful management of costs and process efficiencies across all the Support Functions. Examples of process efficiencies that have been implemented during the first half include changes to automate the transfers process, the dematerialisation of paper holdings using Allfunds as custodian and the streamlining of the client amendment process. Looking forward, we will also be pooling more holdings in the next six months and improving the efficiency of the reconciliation process.

Next stage of strategy well underway

The next stage of our turnaround strategy is well underway and growing assets under management has been prioritised by the executive team. The formation of a dedicated Distribution department during 2015 has led to increased new business leads which are handled by a specialist business development team.

A re-energised marketing programme together with a comprehensive digital marketing campaign has been put in place to serve all divisions. The PR effort has been refocused by streamlining internal resources and outsourcing key elements to professional external agencies with the aim of improving brand recognition and increasing new business enquiries.

The sales team serving the advisor market has been strengthened and an initiative is underway to forge strategic links with national advisor firms and build sustainable long-term business flows.

Board changes and governance

After many years serving as an executive director, Mike Lilwall has decided to step down from the Board to focus on private client investment management. Mike has been one of the main architects of the Group's growth since he joined the firm in 1997 and whilst he will no longer serve on the Board, his counsel will remain available.

More widely, the Board is currently reviewing the general governance structure of the Group. In part this is being done in anticipation of the Senior Managers regime expected to come into effect in 2018, but it is also being done to bring greater clarity of purpose to our various boards and committees, drive better decision taking and increase accountability.

Outlook

Contrary to many commentators' expectations, market conditions have improved markedly since the UK voted to leave the EU and we are cautiously optimistic that this will continue during 2017. Brexit inevitably poses challenges for the UK economy, but financial conditions remain highly accommodative and should help cushion the economy and support asset prices during 2017. We also consider the outcome of the US presidential election likely to be positive for markets. This relatively optimistic outlook receives further support from a more positive global backdrop, which we expect to be characterised by better activity data and improving corporate earnings.

The resolution of the investment managers' variable remuneration is now complete and we have a detailed roadmap for our strategic implementation plan.

Over the coming year we intend to put our strategic implementation plan into practice, increase funds under management over time, and maintain the momentum within the Group through improved execution. I am confident that we will continue to progress against our stated strategy.

Paul Abberley
Chief Executive Officer
24 November 2016

Interim financial report

Ben Money-Coutts
Chief Financial Officer

Having accomplished the objectives set for the 2016 financial year, namely to stem losses, dispose of non-core activities, strengthen the balance sheet, formulate a refocused strategy and a detailed plan to effect it, the focus for the first half of this financial year has been to embed the implementation of the Group's strategy across all divisions.

First half review

The Group's overall revenues have declined from £74.9 million in 1H 2016 to £68.8 million in 1H 2017. The majority of this reduction was accounted for by the held for sale activities (£4.1 million in 1H 2016) which had been sold by the commencement of this financial year. Overall expenditure also reduced from £73.1 million in 1H 2016 to £69.6 million in 1H 2017. In addition, net finance income of £4.2 million, arising primarily from exceptional gains included in the adjusting items analysis shown below, were recognised during the first half. As a result of the above factors, the Group's reported profit before tax for the first half has improved by 80% to £3.6 million (1H 2016: £2.0 million).

Funds under Management and Administration

Charles Stanley's revenue is substantively driven by the level of its FuMA which have increased to £22.5 billion at 30 September 2016, representing a 10% increase from the £20.5 billion at 31 March 2016 and a 13% year-on-year increase from the £20.0 billion at 30 September 2015. These increases are broadly in line with the increases in the WMA Balanced Index over the same periods (up 10% since 31 March 2016 and up 14% since 30 September 2015) and the FTSE 100 Index (up 12% since 31 March 2016 and up 14% since 30 September 2015).

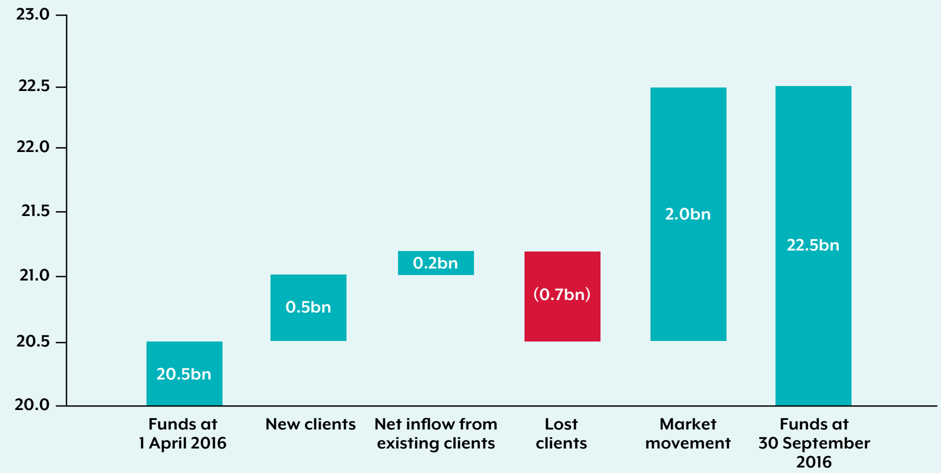
FuMA movement

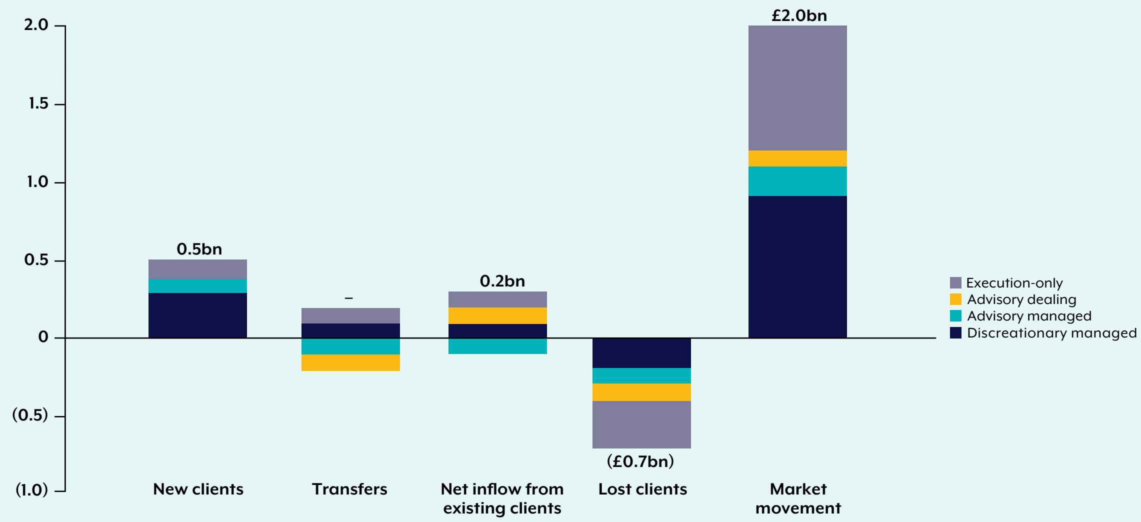
	September 2016 £bn	March 2016 £bn	September 2015 £bn
Discretionary funds	**10.6**	9.4	8.9
Advisory Managed funds	**2.6**	2.6	2.3
Total managed funds	**13.2**	12.0	11.2
Advisory Dealing funds	**1.7**	1.7	2.0
Execution-only funds	**7.6**	6.8	6.8
Total administered funds	**9.3**	8.5	8.8
Total FuMA	**22.5**	20.5	20.0
FTSE 100 Index	**6,896**	6,175	6,062
WMA Balanced Index	**3,915**	3,556	3,421

Discretionary Managed funds increased 19% year on year. The Advisory Managed and Execution-only categories also increased, by 13% and 12% respectively. Advisory Dealing funds fell 15%, partly due to transfers between services. The Execution-only funds on the Charles Stanley Direct platform have increased to £2.0 billion, up from £1.8 billion at 31 March 2016 and from £1.7 billion at 30 September 2015.

The £2.0 billion net increase in FuMA since 31 March 2016 comprises inflows from new (£0.5 billion) and existing (£0.2 billion) clients, positive market performance of £2.0 billion offset by client accounts closed during the period of £0.7 billion, of which £0.4 billion was accounted for by clients of departing investment managers.

FuMA flows





Results and Performance

The Group's financial performance for the six months ended 30 September 2016, the comparative period to 30 September 2015 and the full year to 31 March 2016 is summarised in the three tables below. These tables show the results of the Core Business (comprising the Investment Management Services, Asset Management, Financial Planning and Charles Stanley Direct divisions), the held for sale activities (Charles Stanley Securities and Charles Stanley Financial Solutions, both of which were disposed of by 1 April 2016), and various adjusting items.

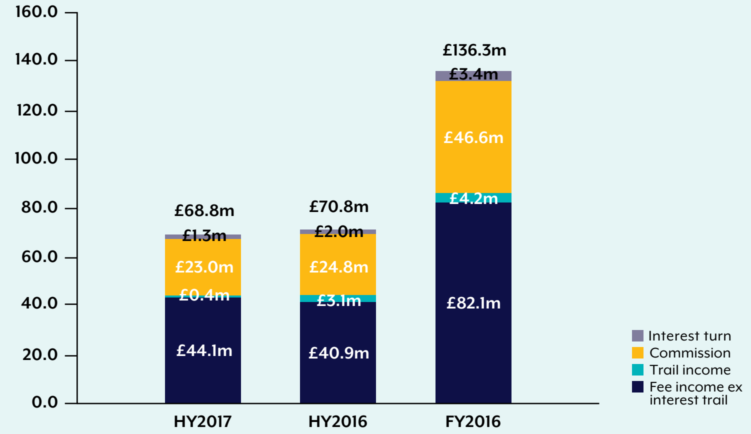
	Core Business £m	Held for sale £m	Adjusting items £m	Reported performance £m
30 September 2016				
Revenue	**68.8**	**–**	**–**	**68.8**
Expenses	**(65.3)**	**–**	**(4.3)**	**(69.6)**
Other income	**0.2**	**–**	**–**	**0.2**
Operating profit/(loss)	**3.7**	**–**	**(4.3)**	**(0.6)**
Net finance income	**0.5**	**–**	**3.7**	**4.2**
Gain/(loss) on sale of business	**–**	**–**	**–**	**–**
Profit/(loss) before tax	**4.2**	**–**	**(0.6)**	**3.6**
Tax (expense)/credit	**(0.7)**	**–**	**(0.6)**	**(1.3)**
Profit/(loss) after tax	**3.5**	**–**	**(1.2)**	**2.3**

	Core Business £m	Held for sale £m	Adjusting items £m	Reported performance £m
30 September 2015				
Revenue	70.8	4.1	–	74.9
Expenses	(67.4)	(3.9)	(1.8)	(73.1)
Other income	0.1	–	–	0.1
Operating profit/(loss)	3.5	0.2	(1.8)	1.9
Net finance income	–	–	–	–
Gain on sale of business	–	–	0.1	0.1
Profit/(loss) before tax	3.5	0.2	(1.7)	2.0
Tax (expense)/credit	(0.4)	(0.1)	–	(0.5)
Profit/(loss) after tax	3.1	0.1	(1.7)	1.5

	Core Business £m	Held for sale £m	Adjusting items £m	Reported performance £m
31 March 2016				
Revenue	136.3	5.3	–	141.6
Expenses	(132.2)	(5.9)	(3.9)	(142.0)
Other income	0.1	–	–	0.1
Operating profit/(loss)	4.2	(0.6)	(3.9)	(0.3)
Net finance income	0.1	–	–	0.1
(Loss)/gain on sale of business	(0.1)	0.1	(0.1)	(0.1)
Profit/(loss) before tax	4.2	(0.5)	(4.0)	(0.3)
Tax (expense)/credit	(0.7)	(0.1)	0.8	–
Profit/(loss) after tax	3.5	(0.6)	(3.2)	(0.3)

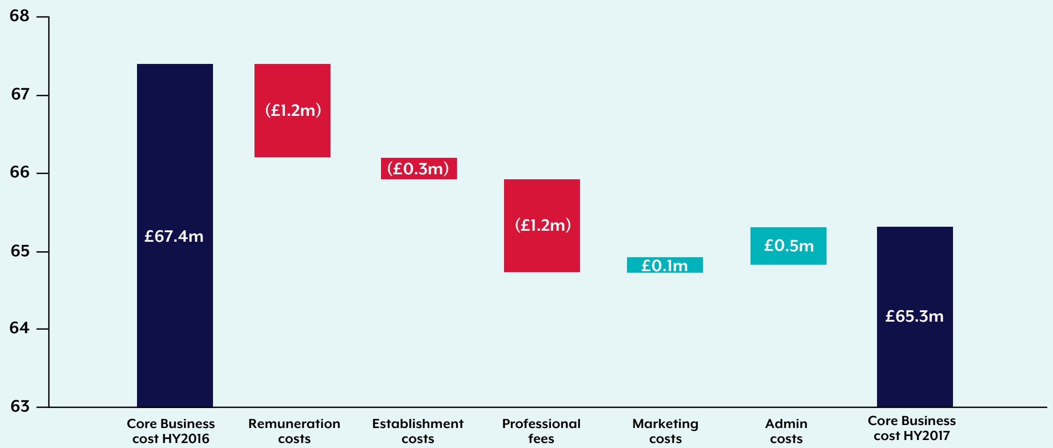
Revenues from the Core Business declined marginally to £68.8 million (1H 2016: £70.8 million) because the reduction in dealing commission, trail commissions and interest earned on client cash balances of £5.2 million exceeded the increase in investment management fees achieved in the period of £3.2 million.

Core Business revenue by type



Expenses within the Core Business reduced 3.1% to £65.3 million (1H 2016: £67.4 million). The bulk of the cost savings were achieved by reduced remuneration costs, down £1.2 million, driven by a 5.4% reduction in headcount to 898 (1H 2016: 949) and a decrease in variable remuneration. Professional fees also reduced by £1.2 million compared to last year.

Core Business expenses



The Core Business pre-tax profit increased by 20% to £4.2 million (1H 2016: £3.5 million), primarily as a consequence of the improved cost control noted above and £0.5 million net finance income recognised during 1H 2017 arising from dividend income and net gains from available-for-sale financial assets.

Divisional review

Investment Management Services

The Investment Management Services division provides personal investment services to individuals, companies, trusts and charities and includes platform dealing, custody and administration services. The firm's advisor services are highly rated and were once again awarded six five-star ratings by Defaqto. Changes in these key performance indicators for the division are shown below.

	September 2016 £m	September 2015 £m	Change %
Revenue	**59.8**	61.3	(2.4)
Direct costs	**(30.3)**	(32.6)	(7.1)
Other income	**0.2**	0.1	100.0
Contribution	**29.7**	28.8	3.1
Allocated costs	**(23.5)**	(23.3)	0.9
Operating profit	**6.2**	5.5	12.7

Contribution margin	**49.7%**	47.0%
Operating margin	**10.4%**	9.0%

The division's FuMA increased 12.2% to £19.3 billion at 30 September 2016 (30 September 2015: £17.2 billion). However, revenues decreased 2.4% to £59.8 million (1H 2016: £61.3 million) because declines in dealing commission, trail commission income and interest earned on client cash balances more than offset the 6.4% increase of investment management fees. The overall average revenue margin for the first half was 65bps by comparison to 68bps last year. The division's direct costs decreased 7.1% resulting in an operating contribution of £29.7 million (1H 2016: £28.8 million). Allocated costs have remained relatively flat leading to a reported operating profit of £6.2 million (1H 2016: £5.5 million).

As has been previously mentioned, the Group has been in prolonged discussions with its investment management teams about the method of computation and scale of their variable remuneration arrangements. Interim arrangements were agreed with the majority of investment managers during March 2016 and took effect from 1 April 2016. These have contributed to a reduction in variable compensation as a proportion of revenue in the period.

In addition to resolving the reward arrangements for the long term, a key challenge the Group faces is how to create efficiencies and streamline its front office support and mid and back office processes, both to be able to reduce the cost base and to introduce a greater degree of variability to it. The Group has a number of work streams focused on trying to achieve this. At the same time a more focused and strategic approach to project development will mean that developments in the division will deliver real benefits for clients and investment managers.

As with many of our competitors, increasing costs of providing our services has caused the Group to look to recalibrate its pricing structure to ensure that the cost of services are fair and appropriate. A new minimum pricing has been agreed and is being rolled out in a phased fashion.

Asset Management

The Asset Management division provides specialist asset management services through a range of funds, active and passive model portfolios and Inheritance Tax Portfolio Service. It also provides investment research services to the rest of the Group.

	September 2016 £m	September 2015 £m	Change %
Revenue	**3.1**	2.8	10.7
Direct costs	**(2.8)**	(2.9)	(3.4)
Contribution	**0.3**	(0.1)	400.0
Allocated costs	**(0.1)**	(0.3)	(66.7)
Operating profit/(loss)	**0.2**	(0.4)	150.0

Contribution margin	**9.7%**	(3.6%)
Operating margin	**6.5%**	(14.3%)

The division's funds under management increased to £1.0 billion as at 30 September 2016 (30 September 2015: £0.7 billion). Institutional business within the Asset Management division has grown strongly in 1H 2016 and Charles Stanley was awarded 2016 Fiduciary Manager of the Year by Global Investor. Revenues grew 10.7% to £3.1 million (1H 2016: £2.8 million) and as a result of tight cost control the division's direct costs have reduced leading to the division moving into profit.

Asset Management has undergone a systematic reorganisation following the formation of the division in late 2015. The aim was not solely to reduce cost but to upskill and create a scalable offering for the intermediary and institutional market. The process was completed in October leaving the division with a motivated, skilled team and a coherent, scalable range of products and services serving both internal and external clients.

Financial Planning

The Financial Planning division provides financial planning and advice. It also incorporates EBS Management PLC ('EBS'), the Group's pensions administration business.

	September 2016 £m	September 2015 £m	Change %
Revenue	**3.8**	4.1	(7.3)
Direct costs	**(3.6)**	(3.6)	–
Contribution	**0.2**	0.5	(60.0)
Allocated costs	**(2.2)**	(1.4)	57.1
Operating loss	**(2.0)**	(0.9)	122.2

Contribution margin	**5.3%**	12.2%
Operating margin	**(52.6%)**	(22.0%)

Revenues for the division have decreased by comparison to the prior year by 7.3% due to the transfer of a number of investment managers who accounted for £0.7 million in the prior year from Financial Planning to the Investment Management Services division. On a like for like basis the underlying Financial Planning team has increased revenues 14.3% from £2.1 million to £2.4 million and EBS revenues were up 7.7% from £1.3 million to £1.4 million. The direct costs of the division have remained flat but allocated costs increased mainly due to restructuring charges, and this has led to the division's reported loss increasing to £2.0 million (1H 2016: £0.9 million).

Following a change of management earlier this year, the Financial Planning division (excluding EBS) has carried out a full strategic review of its operations and its customer value proposition. This review has been directed to better position Financial Planning to make a meaningful contribution to the Group's wealth management targets. This review has now been completed and its findings are in the process of being implemented and are expected to contribute to an enhanced performance of the division going forward.

EBS continues to grow with scheme numbers totalling 13,641 at 30 September 2016 (11,373 at 30 September 2015).

Charles Stanley Direct

Charles Stanley Direct provides direct-to-client online share and fund broking services.

	September 2016 £m	September 2015 £m	Change %
Revenue	**2.1**	2.6	(19.2)
Direct costs	**(1.2)**	(1.5)	(20.0)
Contribution	**0.9**	1.1	(18.2)
Allocated costs	**(1.6)**	(1.8)	(11.1)
Operating loss	**(0.7)**	(0.7)	–

Contribution margin	**42.9%**	42.3%
Operating margin	**(33.3%)**	(26.9%)

Funds under Administration grew 17.6% from £1.7 billion at 30 September 2015 to £2.0 billion at 30 September 2016. New clients were up 14.1% with the platform now servicing 31,125 accounts. Overall revenues, however, declined as anticipated owing to the termination in February 2016 of the contract to provide dealing services to the Fidelity platform which contributed £0.6 million in 1H 2016.

The division completed a thorough review of its client pricing hierarchy during the first half and this was announced in October together with a relaunch of the front end of the website which has now been mobile-optimised. The re-pricing exercise is expected to show positive returns almost immediately whilst remaining highly attractive to new clients transferring from other platform providers. Initial indications of the performance of the new website are encouraging, with its smoother client onboarding journeys leading to lower drop-out rates and much higher conversion rates for digital advertising.

Marketing spend has been constrained as a thorough review of digital marketing has led to agency changes and a more scientific approach ahead of a major campaign planned for the year-end which will flow through 2017-2018. Further asset growth for the division is expected through internal Execution-only transfers in the second half and onwards through 2017 alongside the launch of the Lifetime ISA in April 2017.

Garrison Investment Analysis, which is accounted for within the division, is in the process of re-designing its client-facing website for launch in early H2 whilst enabling a significant paper-based marketing exercise to new clients alongside an outreach marketing campaign to existing clients.

Support Functions

The costs incurred by the Support Functions are either charged directly to the four main operating divisions, for example for share dealing costs, or recharged as an allocated cost. The Support Functions have played an important part in the improvement of the Group's profitability with cost savings and process efficiencies being achieved across these areas. Ongoing costs excluding exceptional adjusting items have decreased by 5.2% from £24.8m in 1H 2016 to £23.5m in 1H 2017. Examples of process efficiencies include changes to automate the transfers process, the dematerialisation of paper holdings using Allfunds as custodian and the streamlining of the client amendment process. Looking forward, we will be pooling more holdings in the next six months and improving the efficiency of the reconciliation process. The London office relocation has also allowed us to move some support teams to our Chelmsford site and outsource the provision of certain services which is expected to bring further savings.

Adjusting items

The Board considers the Core Business profit before tax and earnings per share to be a better reflection of underlying business performance than the statutory figures reported in the financial statements. To calculate the Core Business results the Board has excluded the items detailed below:

	1H 2017 £m	1H 2016 £m
London office rationalisation		
1. Net gain on surrender of long term lease	**3.2**	–
2. Overlapping rent and occupancy costs	**(1.9)**	–
3. Dilapidations	**(0.9)**	–
Amortisation of client relationships	**(0.7)**	(0.9)
Impairment of intangibles	**(0.7)**	(0.4)
Profit on part sale of Runpath Group Limited	**0.4**	–
Exceptional professional fees	**–**	(0.5)
Profit on disposal of Matterley Undervalued Assets Fund	**–**	0.1
Net charge from adjusting items	**(0.6)**	(1.7)

London office rationalisation
A number of the adjusting items relate to the rationalisation of the Group's London office footprint. The Group has historically occupied five buildings in the city of London and has now rationalised these down to one site at 55 Bishopsgate. This has enabled the Group to sell its long leasehold at 35 Luke Street to realise a profit but has also necessitated the acceleration of dilapidation charges and resulted in double running costs of the new office whilst it has been fitted out prior to occupancy. The specific adjusting income and expense incurred comprised:

1. Net gain on surrender of long term lease: (£3.2 million)
On 8 September 2016, the Group surrendered the remaining term of its long term lease at 35 Luke Street for proceeds of £5.6 million. This gain was off-set by the acquisition costs of the new lease at 55 Bishopsgate of £0.2 million and a loss incurred on decommissioning the fixed assets held in the vacating London offices at their net book value at 30 September 2016 of £2.2 million, resulting in a net gain of £3.2 million.

2. Overlapping rent and occupancy costs: (£1.9 million)
During the first half of the year, the Group incurred double running costs in respect of rent, rates and other occupancy costs of £1.9 million covering both the vacating sites, primarily 131 Finsbury Pavement, and the new offices at 55 Bishopsgate. Further overlapping costs will be incurred in the second half of the year but are not expected to be material beyond that.

3. Dilapidations: (£0.9 million)
The leasehold dilapidations provision set up in March 2016 in respect of obligations applicable under the lease agreements of the Group's vacating London sites, was increased during 1H 2017 to take into account the obligations arising under the new lease at 55 Bishopsgate of £0.9 million.

Amortisation of client relationships: (£0.7 million)
Payments made for the introduction of customer relationships that are deemed to be intangible assets are capitalised and amortised over their useful life, which has been assessed to be 10 years. This amortisation charge has been excluded from the Core Business profit since it is a significant non-cash item.

Impairment of intangibles (£0.7 million)
During the period, the Group took an impairment charge in respect of goodwill held in connection with a departing investment management team based in one of the regional offices for £0.7 million.

Profit on part sale of Runpath Group Limited: (£0.4 million)
In June 2016, the Group entered into an agreement to convert loan notes held in Runpath Group Limited into equity and subsequently disposed of 25% of its enlarged equity holding in the company, resulting in a an overall gain of £0.4 million.

Reported profit before tax
Taking into account the £0.6 million net charge arising from adjusting items during the period, the Group's overall reported profit before tax for the first half has improved to £3.6 million (1H 2016: £2.0 million).

Taxation

The tax charge for the first half was £1.3 million (1H 2016: £0.5 million) representing an effective tax rate of 36.1% (1H 2016: 25%). The increase in the effective tax rate is principally due to the proceeds arising on the surrender of the lease at 35 Luke Street which are taxable in full. A detailed reconciliation between the standard and effective rate of corporation tax is provided in note 4 of the interim financial statements.

Financial position and regulatory capital

The Group's financial position remains strong. Net assets at 30 September 2016 were £82.0 million including £54.9 million of cash. The capital resources are £53.4 million by comparison to a requirement of £38.5 million, giving a capital adequacy ratio of 139% (1H 2016: 148%).

Whilst this state of affairs is satisfactory, the Group's financial position has been materially impacted by the most recent actuarial assessment of the Group's defined benefit pension scheme's liabilities which have risen from £36.7 million at 31 March 2016 to £44.0 million at 30 September 2016. This has occurred largely as a result of the drop in long term corporate bond yields post Brexit which has caused the discount rate applied to the projected cash flows of the scheme being reduced from 3.6% to 2.3%. Every 0.25% movement in this rate has an estimated +/- 4.8% impact on the scheme's liabilities.

The scheme was closed to new members in 1998, was closed to further accruals for the remaining 25 active members at 31 March 2016 after a consultation process conducted last year, and the basis of transfer values has recently been reviewed. The Trustees have also recently changed the investment management strategy of the scheme's assets. Whilst these have performed well, they have not been linked to the scheme's liabilities. The long term investment objective is now to achieve self-sufficiency which means achieving a funding level whereby scheme assets grow to the same level as their liabilities. A five stage de-risking flight plan is in the process of being adopted to reduce risk gradually over life of the plan as the scheme nears its objective. In stage 1 it is intended to build an initial liability hedge of 70%. This will be built up in a number of tranches, starting with creating a 20% hedge which has been completed.

Dividends

The Board has declared a maintained interim dividend of 1.5 pence per share (September 2015: 1.5 pence per share). It will be paid on 20 January 2017 to shareholders on the register on 16 December 2016.

Directors' responsibilities

The Directors confirm that to the best of our knowledge:

a) The condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union, as required by the Disclosure and Transparency Rule 4.2.4;

b) The Interim Report includes a fair review of the information required to be disclosed under the Disclosure and Transparency Rule 4.2.7. This includes an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements presented in the half –yearly financial report. The principal risks and uncertainties facing the Group for the second half of the financial year are substantially the same as those described in the Report and Accounts for the year ended 31 March 2016. Note 19 refers; and

c) The Interim Report includes a fair review of information required by Disclosure and Transparency Rule 4.2.8. No related party transactions took place during the period to 30 September 2016 that would materially affect the financial position or performance of the Group. Note 20 refers.

By Order of the Board

Julie Ung
Company Secretary
24 November 2016

Independent review report to Charles Stanley Group PLC

Six months ended 30 September 2016

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 which comprises the condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of financial position, condensed consolidated interim statement of changes in equity, condensed consolidated interim statement of cash flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ('the DTR') of the UK's Financial Conduct Authority ('the UK FCA'). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Simon Ryder (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
24 November 2016

Condensed consolidated interim income statement

Six months ended 30 September 2016

	Notes	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Continuing Operations				
Revenue	2	**68,835**	72,133	138,650
Administrative expenses	2	**(68,981)**	(70,330)	(139,163)
Impairment of intangible assets	2	**(650)**	(465)	(465)
Other income	2	**155**	112	153
Operating (loss)/profit		**(641)**	1,450	(825)
Gain on surrender of lease		**5,550**	–	–
Loss on disposal of fixed assets		**(2,190)**	–	(131)
Gain on sale of business		**42**	100	299
Gain on sale of corporate investments		**422**	–	–
Finance income		**418**	64	69
Finance costs		**(44)**	(51)	(99)
Net finance and other income		**4,198**	113	138
Profit/(loss) before tax		**3,557**	1,563	(687)
Tax (expense)/credit	5	**(1,306)**	(358)	47
Profit/(loss) from continuing operations		**2,251**	1,205	(640)
Discontinued operations				
Profit from discontinued operations	6	**–**	316	333
Profit/(loss) for the period attributable to equity shareholders		**2,251**	1,521	(307)
Earnings per share				
Basic	7	**4.44p**	3.04p	(0.61p)
Diluted	7	**4.44p**	3.03p	(0.61p)
Earnings per share continuing operations				
Basic	7	**4.44p**	2.41p	(1.27p)
Diluted	7	**4.44p**	2.40p	(1.27p)

The notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income

Six months ended 30 September 2016

	Notes	**Unaudited half-year 30 September 2016 £000**	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Profit/(loss) for the period		**2,251**	1,521	(307)
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Remeasurement of the defined benefit obligation	4	**(5,221)**	1,342	2,515
Related tax		**958**	(269)	(753)
		(4,263)	1,073	1,762
Items that are or may be reclassified to profit or loss				
Available for sale financial assets – net change in fair value	11	**387**	(163)	(183)
Available for sale financial assets – reclassified to profit or loss	11	**160**	7	53
Related tax		**(199)**	31	90
		348	(125)	(40)
Other comprehensive (expense)/income for the period, net of tax		**(3,915)**	948	1,722
Total comprehensive (expense)/income for the period attributable to owners of the Company		**(1,664)**	2,469	1,415

The notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

As at 30 September 2016

Assets	Notes	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Intangible assets and goodwill	9	**23,896**	25,920	25,400
Property, plant and equipment	10	**9,034**	12,200	10,732
Net deferred tax assets		**2,866**	2,253	2,042
Available for sale financial assets	11	**7,698**	6,886	6,969
Trade and other receivables	12	**500**	792	870
Non-current assets		**43,994**	48,051	46,013
Trade and other receivables		**164,328**	282,805	145,744
Financial assets at fair value through profit or loss		**50**	50	72
Current tax assets		**–**	–	118
Assets held for sale	13	**–**	3,073	1,722
Cash and cash equivalents		**54,903**	42,326	48,095
Current assets		**219,281**	328,254	195,751
Total assets		**263,275**	376,305	241,764
Equity				
Share capital	14	**12,671**	12,641	12,669
Share premium	14	**4,423**	4,151	4,402
Revaluation reserve		**3,014**	2,581	2,666
Merger reserve	14	**15,167**	15,167	15,167
Retained earnings		**46,684**	52,260	50,461
Equity attributable to owners of the Company		**81,959**	86,800	85,365
Non-controlling interests		**24**	24	24
Total equity		**81,983**	86,824	85,389
Liabilities				
Employee benefits	4	**15,237**	11,828	10,090
Borrowings	15	**–**	1,751	–
Provisions	16	**940**	–	–
Non-current liabilities		**16,177**	13,579	10,090
Borrowings	15	**–**	150	–
Current tax liabilities		**1,018**	458	–
Trade and other payables		**159,955**	272,636	141,833
Provisions	16	**4,142**	2,654	4,367
Liabilities held for sale	13	**–**	4	35
Current liabilities		**165,115**	275,902	146,285
Total liabilities		**181,292**	289,481	156,375
Total equity and liabilities		**263,275**	376,305	241,764

Approved by the Board on 24 November 2016 and signed on its behalf by:

Paul Abberley (Director) Ben Money-Coutts (Director)

The notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

Six months ended 30 September 2016

	Share capital £000	Share premium £000	Re-valuation reserve £000	Merger relief reserve £000	Retained earnings £000	Total £000	Non-controlling interests £000	Total equity £000
1 April 2016	12,669	4,402	2,666	15,167	50,461	85,365	24	85,389
Profit for the period	–	–	–	–	2,251	2,251	–	2,251
Other comprehensive income:								
Revaluation of available for sale financial assets								
– net gain from change in fair values	–	–	160	–	–	160	–	160
– net profit on disposal transferred to profit or loss	–	–	387	–	–	387	–	387
Deferred tax on available for sale financial assets	–	–	(199)	–	–	(199)	–	(199)
Defined benefit plan actuarial loss	–	–	–	–	(5,221)	(5,221)	–	(5,221)
Deferred tax on defined benefit plan actuarial loss	–	–	–	–	958	958	–	958
Total other comprehensive income/(expense) for the period	–	–	348	–	(4,263)	(3,915)	–	(3,915)
Total comprehensive income/(expense) for the period	–	–	348	–	(2,012)	(1,664)	–	(1,664)
Dividends paid	–	–	–	–	(1,774)	(1,774)		(1,774)
Share options								
– value of employee services	2	21	–	–	(74)	(51)	–	(51)
Long-term incentive plans	–	–	–	–	83	83	–	83
30 September 2016 (unaudited)	12,671	4,423	3,014	15,167	46,684	81,959	24	81,983

The notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

	Share capital £000	Share premium £000	Re-valuation reserve £000	Merger relief reserve £000	Retained earnings £000	Total £000	Non-controlling interests £000	Total equity £000
1 April 2015	11,490	4,139	2,706	–	50,559	68,894	24	68,918
Profit for the period	–	–	–	–	1,521	1,521	–	1,521
Other comprehensive income:								
Revaluation of available for sale financial assets								
– net loss from change in fair values	–	–	(163)	–	–	(163)	–	(163)
– net profit on disposal transferred to profit or loss	–	–	7	–	–	7	–	7
Deferred tax on available for sale financial assets	–	–	31	–	–	31	–	31
Defined benefit plan actuarial gain	–	–	–	–	1,342	1,342	–	1,342
Deferred tax on defined benefit plan actuarial gains	–	–	–	–	(269)	(269)	–	(269)
Total other comprehensive (expense)/income for the period	–	–	(125)	–	1,073	948	–	948
Total comprehensive (expense)/ income for the period	–	–	(125)	–	2,594	2,469	–	2,469
Dividends paid	–	–	–	–	(995)	(995)		(995)
Share options								
– value of employee services	–	–	–	–	37	37	–	37
– issue of shares	2	12	–	–	–	14	–	14
Long-term incentive plans	–	–	–	–	65	65	–	65
Issues of ordinary shares	1,149	–	–	15,167	–	16,316	–	16,316
30 September 2015 (unaudited)	12,641	4,151	2,581	15,167	52,260	86,800	24	86,824

The notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

	Share capital £000	Share premium £000	Re-valuation reserve £000	Merger relief reserve £000	Retained earnings £000	Total £000	Non-controlling interests £000	Total equity £000
1 October 2015	12,641	4,151	2,581	15,167	52,260	86,800	24	86,824
Profit for the period	–	–	–	–	(1,828)	(1,828)	–	(1,828)
Other comprehensive income:								
Revaluation of available for sale financial assets								
– net loss from change in fair values	–	–	(20)	–	–	(20)	–	(20)
– net profit on disposal transferred to profit or loss	–	–	46	–	–	46	–	46
Deferred tax on available for sale financial assets	–	–	59	–	–	59	–	59
Defined benefit plan actuarial gain	–	–	–	–	1,173	1,173	–	1,173
Deferred tax on defined benefit plan actuarial gains	–	–	–	–	(484)	(484)	–	(484)
Total other comprehensive income for the period	–	–	85	–	689	774	–	774
Total comprehensive income for the period	–	–	85	–	(1,139)	(1,054)	–	(1,054)
Dividends paid	–	–	–	–	(759)	(759)		(759)
Share options								
– value of employee services	2	12	–	–	99	113	–	113
– issue of shares	26	239	–	–	–	265	–	265
31 March 2016 (audited)	12,669	4,402	2,666	15,167	50,461	85,365	24	85,389

The notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

Six months ended 30 September 2016

	Notes	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Cash flows from operating activities				
Cash generated from operating activities	18	**4,063**	1,415	8,666
Interest received		**154**	64	136
Interest paid		**(44)**	(51)	(36)
Tax paid		**(234)**	(65)	(453)
Net cash from operating activities		**3,939**	1,363	8,313
Cash flows from investing activities				
Proceeds from surrender of lease		**5,550**	–	–
Acquisition of intangible assets		**(674)**	(1,462)	(2,545)
Purchase of property, plant and equipment		**(1,686)**	(392)	(479)
Proceeds from disposal of property, plant and equipment		**–**	–	7
Purchase of available for sale financial assets		**(1,540)**	(150)	(327)
Proceeds from sale of available for sale financial assets		**1,315**	102	223
Net proceeds from disposal of business		**1,180**	577	1,623
Dividends received		**155**	112	152
Net cash generated from/(used in) investing activities		**4,300**	(1,213)	(1,346)
Cash flows from financing activities				
Proceeds from issue of ordinary share capital		**–**	16,316	16,316
Purchase of ordinary shares for employee share schemes		**23**	14	294
Repayment of borrowings		**–**	(71)	(1,974)
Dividends paid		**(1,774)**	(995)	(1,754)
Net cash (used in)/from financing activities		**(1,751)**	15,264	12,882
Net increase in cash and cash equivalents		**6,488**	15,414	19,849
Cash and cash equivalents at start of period		**48,415**	28,566	28,566
Cash and cash equivalents at end of period		**54,903**	43,980	48,415
Cash and cash equivalents shown in current assets		**54,903**	42,326	48,095
Cash classified as assets held for sale		**–**	1,654	320
Cash and cash equivalents at end of period		**54,903**	43,980	48,415

The Group has elected to present a consolidated interim statement of cash flows that analyses all cash flows in total, that is including both continuing and discontinued operations; amounts relating to discontinued operations in respect of comparative periods, are disclosed in note 6.

The notes on pages 24 to 46 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

Corporate information

Charles Stanley Group PLC ('the Company') is the parent company of the Charles Stanley group of companies ('the Group'). Charles Stanley Plc is a public limited company which is listed on the London Stock Exchange and is incorporated and tax resident in the United Kingdom.

1. Basis of preparation and significant accounting policies

1.1 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 September 2016 have been prepared in accordance with IAS34 Interim Financial Reporting as adopted by the European Union. The condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of IFRS financial statements, and therefore should be read in conjunction with the Charles Stanley Group PLC Annual Report and Accounts for the year ended 31 March 2016, which were prepared under IFRS as adopted by the European Union.

The Directors assessed the going concern of the Group in light of its current trading performance. The Directors looked at the forecasts covering the 18-month period from 1 October 2016 to 31 March 2018 and applied stress tests for adverse scenarios, which had been determined as part of the ICAAP process. Based on this assessment, the Directors are satisfied that the Group has and will maintain sufficient financial resources to enable it to continue operating for the foreseeable future, and therefore continue to adopt the going concern basis in the preparation of the interim report accounts.

1.2 Functional and presentation currency

The condensed consolidated interim financial statements are presented in GBP which is the Group's functional currency. All financial information presented in GBP has been rounded to the nearest thousand unless otherwise indicated.

1.3 Comparative figures

Certain comparative figures have been amended to conform with the current period presentation of the financial statements.

1.4 Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's Annual Report and Accounts for the year ended 31 March 2016. The Group has not adopted any new accounting standards and amendment to standards and interpretations during the period.

1.5 Use of judgements and estimates

In preparing these condensed consolidated interim financial statements the Directors have made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are reviewed on an ongoing basis taking account of historical experience and future expectations.

2. Operating segments

The Group has four operating divisions, representing the Core Business, which are its reportable segments. These segments are the basis on which the Group reports its performance to the Board, which is the Group's chief operating decision-maker.

	Continued operations							
	Investment Management Services £000	Asset Management £000	Financial Planning £000	Charles Stanley Direct £000	Support functions £000	Continued operations Subtotal £000	Discontinued operations £000	Total £000
Six months ended 30 September 2016								
Investment management fees	31,222	1,629	297	–	–	33,148	–	33,148
Administration fees	6,237	1,166	3,451	1,701	72	12,627	–	12,627
Total fees	37,459	2,795	3,748	1,701	72	45,775	–	45,775
Commission	22,280	325	15	440	–	23,060	–	23,060
Total revenue	59,739	3,120	3,763	2,141	72	68,835	–	68,835
Administrative expenses	(31,548)	(2,777)	(3,573)	(1,262)	(29,821)	(68,981)	–	(68,981)
Impairment of intangible assets	–	–	–	–	(650)	(650)	–	(650)
Other income	155	–	–	–	–	155	–	155
Operating contribution	28,346	343	190	879	(30,399)	(641)	–	(641)
Allocated costs	(23,410)	(76)	(2,144)	(1,526)	27,156	–	–	–
Operating profit/(loss)	4,936	267	(1,954)	(647)	(3,243)	(641)	–	(641)
Segment assets	252,024	1,225	2,551	6,832	643	263,275	–	263,275
Segment liabilities	181,284	(7)	–	15	–	181,292	–	181,292

Note:
The operating profit/(loss) as per above table is different to that shown in the divisions included within the interim financial report as the table above is inclusive of adjusting items which are stripped out from the Core Business performance.

2. Operating segments (continued)

	Continued operations							
	Investment Management Services £000	Asset Management £000	Financial Planning £000	Charles Stanley Direct £000	Support functions £000	Continued operations Subtotal £000	Discontinued operations £000	Total £000
Six months ended 30 September 2015								
Investment management fees	29,207	1,169	690	–	–	31,066	–	31,066
Administration fees	9,549	1,388	3,256	2,130	–	16,323	53	16,376
Corporate finance	–	–	–	–	–	–	2,496	2,496
Total fees	38,756	2,557	3,946	2,130	–	47,389	2,549	49,938
Commission	23,859	256	178	451	–	24,744	177	24,921
Total revenue	62,615	2,813	4,124	2,581	–	72,133	2,726	74,859
Administrative expenses	(34,875)	(3,410)	(3,597)	(1,610)	(27,020)	(70,512)	(2,144)	(72,656)
Impairment of intangible assets	–	–	(465)	–	–	(465)	–	(465)
Other income	112	–	–	–	–	112	–	112
Operating contribution	27,852	(597)	62	971	(27,020)	1,268	582	1,850
Allocated costs	(23,775)	162	(1,540)	(1,685)	27,020	182	(182)	–
Operating profit/(loss)	4,077	(435)	(1,478)	(714)	–	1,450	400	1,850
Segment assets	272,775	767	4,744	7,309	90,710	376,305	–	376,305
Segment liabilities	257,022	2	4	79	32,374	289,481	–	289,481

2. Operating segments (continued)

	Continued operations							
	Investment Management Services £000	Asset Management £000	Financial Planning £000	Charles Stanley Direct £000	Support functions £000	Continued operations Subtotal £000	Discontinued operations £000	Total £000
Year ended 31 March 2016								
Investment management fees	58,098	2,407	1,453	–	–	61,958	–	61,958
Administration fees	17,125	2,620	6,467	3,876	–	30,088	62	30,150
Corporate finance	–	–	–	–	–	–	2,741	2,741
Total fees	75,223	5,027	7,920	3,876	–	92,046	2,803	94,849
Commission	44,792	521	383	908	–	46,604	177	46,781
Total revenue	120,015	5,548	8,303	4,784	–	138,650	2,980	141,630
Administrative expenses	(69,440)	(6,943)	(7,699)	(2,816)	(52,475)	(139,373)	(2,458)	(141,831)
Impairment of intangible assets	–	–	(465)	–	–	(465)	–	(465)
Other income	153	–	–	–	–	153	–	153
Operating contribution	50,728	(1,395)	139	1,968	(52,475)	(1,035)	522	(513)
Allocated costs	(46,196)	430	(2,757)	(3,357)	52,090	210	(205)	5
Operating profit/(loss)	4,532	(965)	(2,618)	(1,389)	(385)	(825)	317	508
Segment assets	144,250	1,502	6,908	7,102	81,684	241,446	318	241,764
Segment liabilities	127,303	2	35	18	28,963	156,321	54	156,375

3. Seasonality and cyclicality of interim operations

The Group's trading patterns are most directly affected by investments in stock markets rather than seasonal patterns. However, trading volumes tend to increase during the fourth quarter of the financial year, in line with the end of the tax year.

4. Employee benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds.

The Group also sponsors the Charles Stanley & Co. Limited Retirement Benefits Scheme, which is a funded defined benefit arrangement. This is a separate, trustee administered fund holding the pension plan assets to meet long-term pension liabilities for 70 past and 35 present employees as at 13 May 2014, the date of the latest triennial valuation. The level of retirement benefit is principally based on salary earned in the last three years of employment prior to leaving active service and is linked to changes in inflation up to retirement.

A full actuarial valuation was last carried out as at 13 May 2014 in accordance with the scheme funding requirements of the Pensions Act 2004 and the funding of the plan is agreed between the Group and the trustees in line with those requirements. These in particular require the surplus/deficit to be calculated using prudence, as opposed to best estimate actuarial assumptions.

The scheme which was closed to new members in 1998 has also been closed to future service accruals with effect from 31 March 2016. Moreover, during the year ended 31 March 2016, the Group switched from Retail Price Index (RPI) to Consumer Price Index (CPI) when calculating the future benefits augmentation allowance which is in line with recent industry practice.

For the purposes of IAS 19 the actuarial valuation as at 13 May 2014, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 30 September 2016. Apart from a change in the mortality assumptions used, there have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures.

Amounts included in the statement of financial position

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Fair value of plan assets	**28,798**	29,519	26,561
Present valuation of defined benefit obligation	**(44,035)**	(41,347)	(36,651)
Deficit in scheme	**(15,237)**	(11,828)	(10,090)
Liability recognised in statement of financial position	**(15,237)**	(11,828)	(10,090)

4. Employee benefits (continued)

Defined benefit costs recognised in the income statement

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Current service cost	**–**	249	643
Past service cost and gain from settlement	**–**	–	(780)
Net interest costs	**178**	208	404
Total cost recognised in income statement	**178**	457	267

Defined benefit costs recognised in statement of comprehensive income

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Return on plan assets	**2,280**	(1,555)	(591)
Experience gains arising on the scheme liabilities	**–**	–	486
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	**2,495**	(610)	(188)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	**(9,996)**	3,507	2,808
Total amount recognised in statement of comprehensive income	**(5,221)**	1,342	2,515

4. Employee benefits (continued)

Assumptions

	Unaudited half-year 30 September 2016 %	Unaudited half-year 30 September 2015 %	Audited full-year 31 March 2016 %
Inflation – RPI	**n/a**	3.2	n/a
Inflation – CPI	**2.3**	n/a	2.2
Salary increases	**n/a**	2.3	n/a
Rate of discount	**2.3**	3.7	3.6
Allowance for pension in payment increases of RPI or 5% p.a. if less	**n/a**	3.4	n/a
Allowance for pension in payment increases of CPI or 5% p.a. if less, minimum 3% p.a.	**3.0**	n/a	3.0
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	**n/a**	3.2	n/a
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	**2.3**	n/a	2.2

The mortality assumptions adopted at 30 September 2016 are 100% (31 March 2016 and 30 September 2015: 85%) of the standard tables S2PxA, Year of Birth, no age rating for males and females, projected using CMI_2015 converging to 1.00% p.a. These imply the following life expectancies:

	100% Life expectancy at age 65 (years)	85% Life expectancy at age 65 (years)
Male retiring in 2016	21.9	23.2
Female retiring in 2016	23.9	25.2
Male retiring in 2036	23.2	24.5
Female retiring in 2036	25.4	26.7

The Group made contributions to the scheme during the period of £0.3 million (September 2015: £0.4 million and March 2016: £0.7 million).

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation

	Change in assumption	Change in liabilities
Discount rate	Decrease of 0.25% p.a.	Increase by 5.0%
Rate of inflation	Increase of 0.25% p.a.	Increase by 0.9%
Rate of mortality	Increase in life expectancy of 1 year	Increase by 3.6%

The sensitivities shown are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth. The average duration of the defined benefit obligation at the period ended 30 September 2016 is 20 years.

5. Tax (expense)/credit

Tax recognised in the condensed consolidated interim income statement

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Current taxation			
(Expense)/credit for the period	**(1,369)**	(360)	135
Adjustment in respect of prior years	**–**	–	57
	(1,369)	(360)	192
Deferred taxation			
Credit/(expense) for the period	**63**	2	(145)
	63	2	(145)
Total tax (expense)/credit on continuing operations	**(1,306)**	(358)	47

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Group's future current tax change accordingly. The deferred tax asset at 30 September 2016 has been calculated based on these rates.

5. Tax (expense)/credit (continued)

The tax expense for the period is higher than the standard rate of corporation tax in the UK of 20% (2016: 21%). The differences are as follows:

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Profit/(loss) before tax from continued operations	**3,557**	1,563	(687)
Profit/(loss) multiplied by rate of corporation tax in the UK of 20% (2016: 20%)	**(711)**	(313)	137
Tax effects of:			
Income not subject to tax	**31**	24	31
Expenses not allowed for tax	**(226)**	(28)	(89)
Pension contribution	**(14)**	–	–
Share-based payments	**20**	(3)	(71)
Long-term incentive plans	**27**	–	–
Adjustments in respect of prior years	**–**	–	(57)
Intangible asset amortisation and impairments	**(13)**	(32)	6
Tangible asset depreciation and capital allowance	**(334)**	12	154
Change in tax rate	**(86)**	–	(89)
Other adjustments	**–**	(18)	25
	(595)	(45)	(90)
Total tax (expense)/credit for the period	**(1,306)**	(358)	47

6. Discontinued operations

Results from discontinued operations

The Group completed the sale of the Charles Stanley Securities division (excluding the equity sales trading business) to Panmure Gordon (UK) Limited on 15 July 2015. There were no discontinued operations during the current period.

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Revenue	–	2,726	2,980
Expenses	–	(2,326)	(2,663)
Results from operating activities	–	400	317
(Loss)/gain on sale of business	–	(5)	99
Profit before tax	–	395	416
Tax expense	–	(79)	(83)
Profit for the period	–	316	333
Earnings per share from discontinued operations			
Basic	–	0.63p	0.66p
Diluted	–	0.63p	0.66p
Cash flows from/(used in) discontinued operations			
Net cash from/(used in) operating activities	–	977	(1,507)
Net cash inflows/(outflows) for the year	–	977	(1,507)
Effect of disposal on the financial position of the Group			
Intangible assets	–	–	1,524
Trade and other receivables	–	–	507
Net assets and liabilities	–	–	2,031
Consideration received satisfied in cash	–	–	1,623
Net cash inflows	–	–	1,623

7. Earnings per share

The Directors believe that a truer reflection of the performance of the Group's ongoing business is given by the measure of Core Business earnings per share. This measure is also followed by the analyst community as a benchmark of the Group's ongoing performance.

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Weighted average number of shares in issue in the period	**50,678**	50,054	50,386
Effect of share options	**29**	70	1
Diluted weighted average number of shares in issue during the period	**50,707**	50,124	50,387
Earnings per share from reported performance			
Basic earnings per share	**4.44p**	3.04p	(0.61p)
Diluted earnings per share	**4.44p**	3.03p	(0.61p)
Earnings per share from continuing operations			
Basic earnings per share	**4.44p**	2.41p	(1.27p)
Diluted earnings per share	**4.44p**	2.40p	(1.27p)
Earnings per share from Core Business (unaudited)			
Basic earnings per share	**6.86p**	**6.12p**	**8.33p**
Diluted earnings per share	**6.86p**	**6.12p**	**8.33p**

8. Dividends paid

Amounts recognised as distributions to the owners of the Company in the period.

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Final paid for 2016: 3.5p per share (2015: 2.0p)	**1,774**	995	996
Interim paid for 2016: 1.5p per share (2016: 3.0p)	**–**	–	758
	1,774	995	1,754

9. Intangible assets

Cost	Goodwill £000	Customer relationships £000	Internally generated software £000	Total £000
30 September 2015	21,507	23,333	5,065	49,905
Purchased in the period	–	60	1,023	1,083
31 March 2016	21,507	23,393	6,088	50,988
Purchased in the period	–	16	658	674
Impairment during the period	(650)	–	–	(650)
30 September 2016	20,857	23,409	6,746	51,012
Amortisation				
30 September 2015	5,511	16,387	2,087	23,985
Amortisation during the period	–	746	857	1,603
31 March 2016	5,511	17,133	2,944	25,588
Amortisation during the period	–	694	834	1,528
30 September 2016	5,511	17,827	3,778	27,116
Net book value				
30 September 2016	**15,346**	**5,582**	**2,968**	**23,896**
31 March 2016	15,996	6,260	3,144	25,400
30 September 2015	15,996	6,946	2,978	25,920

None of the intangible assets have been pledged as security.

Goodwill is allocated to the Group's operating divisions as follows:

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Investment Management Services	**8,805**	9,105	10,339
Financial Planning	**1,294**	1,644	350
Charles Stanley Direct	**5,247**	5,247	5,247
	15,346	15,996	15,996

9. Intangible assets (continued)

9.1 Goodwill

The recoverable amounts of goodwill allocated to the Cash Generating Units (CGUs) are determined by first calculating the fair value less cost to sell. If the fair value less cost to sell is found to be lower than the carrying amount or is unavailable, the recoverable amount is determined based on value in use calculations. The fair value less cost to sell calculations are largely based on a percentage of Funds under Management and Administration. Where this approach is not appropriate a turnover multiple is used.

The rates used in the fair value less cost to sell calculations are those implied by recent transactions in the market or, where appropriate, similar quoted businesses. When calculating the fair value less cost to sell the key assumptions were stress tested to determine whether the calculations were sensitive to a reasonable possible change in these assumptions.

The value in use calculations use pre-tax cash flow projections based on revenue and expense forecasts.

9.1.1 Investment Management Services

The recoverable amount of goodwill related to Investment Management Services was assessed using fair value less cost to sell for the six months ended 30 September 2016. The fair value is determined based on a percentage of Funds under Management and Administration. During the period the Group recognised an impairment charge of £0.3 million in respect of goodwill attributable to a regional office with Investment Management Services. Consequently the goodwill balance carried forward was £8.8 million.

9.1.2 Financial Planning

The recoverable amount of goodwill relating to Financial Planning was assessed using fair value less cost to sell for the six months ended 30 September 2016. The goodwill held by this CGU was fully impaired during the period as the related business activities were discontinued.

In the case of EBS Management Ltd, which falls under the Financial Planning division, the assessment of the carrying value of the goodwill held in respect of the business was also carried out using the fair value less cost to sell methodology, however this was based on a turnover multiple as this was deemed the most appropriate measure. The fair value calculated supports the carrying value of the goodwill attributable to this division and an impairment charge was not required.

9.1.3 Charles Stanley Direct

The goodwill attributable to this CGU was assessed based on a value in use calculation. This was based on the projected revenue and profitability of the business over the next four years. Charles Stanley Direct is forecast to continue growing Assets under Administration, client account numbers and revenues.

The key assumptions used in the valuation were as follows:

Discount rate	10%
Growth in assets	£10 million per month
Operating costs	To remain relatively stable over the period

The recoverable amount arising from the value in use calculation was determined to be higher than the carrying amount of goodwill attributable to the CGU and therefore there were no indications of impairment.

9.2 Customer relationships

Purchases of customer relationships relate to payments made to investment managers and third parties for the introduction of customer relationships.

9.3 Internally generated software

Internally generated software is software designed, developed and commercialised by the Group.

10. Property, plant and equipment

Cost	Freehold premises £000	Long leasehold premises £000	Short leasehold premises £000	Office equipment and motor vehicles £000	Total £000
30 September 2015	5,013	1,021	7,907	17,187	31,128
Additions	–	–	3	84	87
Disposals	–	–	(431)	(59)	(490)
31 March 2016	5,013	1,021	7,479	17,212	30,725
Additions	–	–	1,221	465	1,686
Disposals	–	(1,021)	(4,158)	(409)	(5,588)
30 September 2016	5,013	–	4,542	17,268	26,823
Depreciation					
30 September 2015	315	345	4,421	13,847	18,928
Charge for the period	65	36	389	927	1,417
Disposals	–	–	(306)	(46)	(352)
31 March 2016	380	381	4,504	14,728	19,993
Charge for the period	65	36	339	748	1,188
Disposals	–	(417)	(2,772)	(203)	(3,392)
30 September 2016	445	–	2,071	15,273	17,789
Net book value					
30 September 2016	**4,568**	**–**	**2,471**	**1,995**	**9,034**
31 March 2016	4,633	640	2,975	2,484	10,732
30 September 2015	4,698	676	3,486	3,340	12,200

Property, plant and equipment include fully depreciated assets of £9.7 million (31 March 2016: £11.1 million) which are still in use.

The disposals in the period at cost of £5.6 million and accumulated depreciation of £3.4 million are in respect of fixed assets held in the Group's vacating offices which have been disposed of.

Freehold premises includes £0.3 million for a freehold property that was valued at the market value by GVA Grimley, a firm of independent chartered surveyors. The historical cost of the freehold was £0.2 million. The Directors consider that the value in use of the property approximates its carrying value.

11. Available for sale financial assets

Fair value	Listed investments £000	Unlisted investments £000	Total £000
30 September 2015	3,677	3,209	6,886
Additions	177	–	177
Disposals	(121)	–	(121)
Revaluation in year	27	–	27
31 March 2016	**3,760**	**3,209**	**6,969**
Additions	**1,040**	**500**	**1,540**
Disposals	**(1,233)**	**(125)**	**(1,358)**
Revaluation in year	**(100)**	**647**	**547**
30 September 2016	**3,467**	**4,231**	**7,698**

The fair value of listed investments is determined by reference to quoted prices on active markets.

Listed investments include a £2.0 million (31 March 2016: £2.0 million) holding in gilts which is pledged to a clearing house.

Unlisted investments include the Group's holding of 6,030 shares in Euroclear plc for which no observable market data is available as to its value. The Directors believe it is appropriate to value this holding by reference to recent market transactions. During the period, the Group translated the Euroclear plc investment denominated in Euro back to GBP using the rate of exchange at the balance sheet date.

Also within unlisted investments is the Group's investment in a technology business called Runpath Group Limited (previously known as Masterlist). The initial investment was £1.0 million (£0.5 milion in 119,154 ordinary shares and £0.5 million of convertible loan notes). As at 31 March 2016, the Group held the equity at nil value and the loan notes at £0.3 million.

On 8 June 2016, the Group converted the loans into equity and subsequently disposed of 25% of its enlarged holding for £0.3 million. The remainder of the equity investment was carried at fair value as determined by the Directors.

12. Trade and other receivables

Included in the non-current trade and other receivables is the deferred consideration receivable by the Group for the sale of Charles Stanley Financial Solutions to CS Financial Solutions Holdings Limited which completed on 1 April 2016. The deferred consideration is in the form of £0.5 million LIBOR plus 2% Secured B Loan Notes 2019 repayable in three equal instalments on each anniversary. These loans are carried at amortised cost less any provision for impairment.

13. Assets and liabilities held for sale

The Group completed the disposal of Charles Stanley Financial Solutions Limited on 1 April 2016. The assets and liabilities of Charles Stanley Financial Solutions Limited were presented on the consolidated statement of financial position as held for sale in the comparative periods.

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Intangible assets	–	1,145	1,145
Deferred tax assets	–	3	–
Trade and other receivables	–	271	257
Cash and cash equivalents	–	1,654	320
Assets held for sale	–	3,073	1,722
Trade and other payables	–	4	35
Current tax liabilities	–	–	–
Liabilities held for sale	–	4	35

14. Capital and reserves

	Number of shares £000	Ordinary shares £000	Share premium £000	Merger relief reserve £000	Total £000
Authorised shares with a par value of 25p each	80,000	20,000	–	–	20,000
Allotted and fully paid:					
30 September 2015	50,573	12,641	4,151	15,167	31,959
Exercise of share options	103	28	251	–	279
31 March 2016	**50,676**	**12,669**	**4,402**	**15,167**	**32,238**
Exercise of share options	**8**	**2**	**21**	**–**	**23**
30 September 2016	**50,684**	**12,671**	**4,423**	**15,167**	**32,261**

15. Borrowings

Current	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Bank loan	–	150	–
	–	150	–
Non-current			
Bank loan	–	1,751	–
	–	1,751	–

16. Provisions

	£000
30 September 2015	2,654
Provisions made during the period	1,713
31 March 2016	4,367
Provisions made during the period	957
Provisions used during the period	(242)
30 September 2016	5,082

The group held provisions as at 30 September 2016 in respect of certain legal claims and leasehold dilapidations.

In the prior periods, these provisions were included within trade and other payables. During the current period, these have been reclassified to provisions to better reflect the nature of these balances.

17. Fair values and risk management

17.1 Fair value of financial instruments

17.1.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Carrying value	Held for trading £000	Loans and receivables £000	Available for sale £000	Other financial liabilities £000	Total £000
As at 30 September 2016					
Financial assets measured at fair value – available for sale investments	–	–	7,698	–	7,698
Financial assets at fair value through profit and loss – listed investments	50	–	–	–	50
Total	50	–	7,698	–	7,748
Financial assets not measured at fair value					
Trade and other receivables	–	164,828	–	–	164,828
Cash and cash equivalents	–	54,903	–	–	54,903
Total	–	219,731	–	–	219,731
Financial liabilities not measured at fair value					
Trade and other payables	–	–	–	159,955	159,955
Total	–	–	–	159,955	159,955

Fair value	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
As at 30 September 2016				
Financial assets measured at fair value – available for sale investments	3,467	–	4,231	7,698
Financial assets at fair value through profit and loss – listed investments	50	–	–	50
Total	3,517	–	4,231	7,748

17. Fair values and risk management (continued)

Carrying value	Held for trading £000	Loans and receivables £000	Available for sale £000	Other financial liabilities £000	Total £000
As at 30 September 2015					
Financial assets measured at fair value – available for sale investments	–	–	6,886	–	6,886
Financial assets at fair value through profit and loss – listed investments	50	–	–	–	50
Total	50	–	6,886	–	6,936
Financial assets not measured at fair value					
Trade and other receivables	–	283,597	–	–	283,597
Cash and cash equivalents	–	–	–	–	–
Total	–	283,597	–	–	283,597
Financial liabilities not measured at fair value					
Borrowings	–	–	–	1,901	1,901
Trade and other payables	–	–	–	272,636	272,636
Total	–	–	–	274,537	274,537

Fair value	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
As at 30 September 2015				
Financial assets measured at fair value – available for sale investments	3,677	–	3,209	6,886
Financial assets at fair value through profit and loss – listed investments	50	–	–	50
Total	3,727	–	3,209	6,936

17. Fair values and risk management (continued)

Carrying value	Held for trading £000	Loans and receivables £000	Available for sale £000	Other financial liabilities £000	Total £000
As at 31 March 2016					
Financial assets measured at fair value – available for sale investments	–	–	6,969	–	6,969
Financial assets at fair value through profit and loss – listed investments	72	–	–	–	72
Total	72	–	6,969	–	7,041
Financial assets not measured at fair value					
Trade and other receivables	–	146,614	–	–	146,614
Cash and cash equivalents	–	48,095	–	–	48,095
Total	–	194,709	–	–	194,709
Financial liabilities not measured at fair value					
Trade and other payables	–	–	–	141,883	141,883
Total	–	–	–	141,883	141,883

Fair value	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
As at 31 March 2016				
Financial assets measured at fair value – available for sale investments	3,760	–	3,209	6,969
Financial assets at fair value through profit and loss – listed investments	72	–	–	72
Total	3,832	–	3,209	7,041

17. Fair values and risk management (continued)

17.1.2 Measurement of fair values

i) Valuation techniques and significant unobservable inputs.
Financial instruments measured at fair value.
The table below analyses recurring fair value measurements for financial assets.

These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – inputs for assets that are not based on observable market data (that is, unobservable inputs).

Performance condition	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value
Equity Securities: Euroclear	The fair value is determined by considering the dividend yield where the expected dividend is determined as well as reference to recent market transaction	Expected dividend growth rate, which includes an adjustment for currency volatility (45%)	The estimated fair value would increase if the expected dividend growth rate was higher
Financial instruments not measured at fair value			
Trade and other receivables	Discounted cash flows	Not applicable	
Cash and cash equivalents	Discounted cash flows	Not applicable	
Borrowings	Discounted cash flows	Not applicable	
Trade and other payables	Discounted cash flows	Not applicable	

There were no transfers between any of the levels of the fair value hierarchy during the six months ended 30 September 2016.

ii) Level 3 fair values
Details of the determination of Level 3 fair value measurements are set out below:

	Equity securities available for sale £000
Balance at 30 September 2015	3,209
Additions	500
Disposals	(125)
Balance at 31 March 2016	3,584
Total unrealised gains and losses for the period included in statement of comprehensive income	647
Balance at 30 September 2016	**4,231**

17. Fair values and risk management (continued)

The Group has an established control framework with respect to the measurement of fair values. If one or more significant inputs are not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value the financial instruments grouped under level 3 include discounting future cash flows and calculating the dividend yield. All valuations performed are presented to the Board for final approval. Significant valuation issues are reported to the Group Audit Committee.

17.2 Equity securities – available for sale

The level 3 balance comprises amounts relating to holdings in unlisted investments. At 30 September 2016 these unlisted investments had a fair value of £4.2 million (31 March 2016: £3.2 million). Included within this balance is the Group's holding of 6,030 Euroclear plc shares with a fair value of £3.7 million (31 March 2016: £3.1 million).

This fair value has been determined using a valuation technique that used significant unobservable inputs.

18. Reconciliation of net profit to cash generated from operations

	Unaudited half-year 30 September 2016 £000	Unaudited half-year 30 September 2015 £000	Audited full-year 31 March 2016 £000
Profit/(loss) before tax including discontinued operations	**3,557**	1,958	(272)
Adjustments for:			
Depreciation	**1,188**	1,479	2,896
Amortisation of intangible assets	**1,528**	1,639	3,242
Impairment of intangible assets	**400**	465	465
Gain on surrender of long-term lease	**(5,550)**	–	–
Share-based payments – value of employee services	**9**	102	199
Retirement benefit scheme	**(74)**	83	(480)
Dividend income	**(155)**	(112)	(152)
Interest income	**(154)**	(64)	(136)
Interest expense	**44**	51	36
Loss on disposal of available for sale financial assets	**42**	–	–
Loss/(gain) on disposal of property, plant and equipment	**2,190**	(6)	131
Profit on disposal of pooled managed fund	**–**	(100)	–
(Gain)/loss on disposal of business	**(42)**	5	(99)
Changes in working capital:			
Decrease in financial assets at fair value through profit or loss	**22**	51	28
(Increase)/decrease in receivables	**(17,700)**	(13,061)	103,357
(Decrease)/increase in payables	**18,758**	8,925	(100,549)
Net cash inflow from operations	**4,063**	1,415	8,666

19. Principal risks and uncertainties

The principal risks and uncertainties facing the Group in the period to 30 September 2016 are substantially the same as those included within the Group's Annual Report and Accounts for the year ended 31 March 2016.

20. Related party transactions

Related party transactions are disclosed in the Group's Annual Report and Accounts for the year ended 31 March 2016. No transactions took place during the period to 30 September 2016 that would materially affect the financial position or performance of the Group.

21. Contingent liabilities

In the normal course of business, the Group is exposed to certain legal and tax matters, which could involve litigation and arbitration, and in some cases may result in contingent liabilities.

The Annual Report and Accounts for the year ended 31 March 2016 presented full details of the contingent liabilities that the Group was exposed to as at 31 March 2016. During the six months to 30 September 2016, the Group had not become party to any additional contingent liabilities.

22. Commitments

At 30 September 2016, capital expenditure authorised and contracted for, but not provided in the financial statements, amounted to £0.4 million (2015: nil).

23. Post balance sheet events

Apart from the interim dividend of 1.5 pence per share declared by the Company on 24 November 2016, there were no other material events occurring between the balance sheet date and 24 November 2016.

Company information

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Julie Ung

Registered office

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Company registration number

48796 (England and Wales)

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Directors

Executive

Paul Abberley (CEO)

Ben Money-Coutts (CFO)

Gary Teper

Michael Lilwall (resigned on 23 November 2016)

Non-executive

Sir David Howard, Bt (Chairman)

Andrew Didham

Bridget Guerin

David Pusinelli

Glossary

Abbreviation	Definition
CGU	Cash Generating Unit
CMI	The Continuous Mortality Investigation that carries out research into mortality and morbidity experience and produces table widely used by actuaries
Company or Parent Company	Charles Stanley Group PLC
Companies Act	UK Companies Act 2006
CPI	Consumer Price Index
CSC	Charles Stanley & Co Limited, the Group's main operating subsidiary
EPS	Earnings per share
FCA	UK Financial Conduct Authority
FP (Matterley)	Authorised Corporate Directors of the Matterley Undervalued Fund
FuM	Funds under Management
FUMA	Funds under Management and Administration
Group	Charles Stanley Group PLC and its controlled entities
IAS	International Accounting Standard
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
IHT	Inheritance Tax Portfolio Service
IMS	Investment Management Services
OCI	Other Comprehensive Income
PBT	Profit before tax
RPI	Retail Price Index
S2PxA	Standard table used by actuaries for mortality assumptions.
WMA	Wealth Management Association

Financial calendar

24 November 2016	Interim results announced
15 December 2016	Ex-dividend date for interim dividend
16 December 2016	Record date for interim dividend
20 January 2017	Payment date of interim dividend

Designed and produced by Frank, Bright & Abel

CHARLES STANLEY

Focusing on you