

We closed our books with deposits up almost 20% on the previous year, lending up 7%, and funds under management up nearly 30%. During March, funds under management exceeded £2bn for the first time.

Our Sterling base rate has remained steady at 3% for six years, but we have recently entered the Alice in Wonderland world of negative interest rates. Customers now pay us 2% pa to deposit in Swiss Francs and Danish Krona.

Andrew McIntyre of Ernst & Young is joining as a non-executive director to chair our audit committee. Charles Pink has left the board, having completed a transformational task in setting up our risk committee and appointing a chief risk officer.

A new chief operating officer, Stuart Bates, joined us on 1st June from Bank Julius Baer. This is an interesting time for him as we are about to scan all paperwork and modernise 300 years of working practices. Hopefully in the New Year we will fully adopt the digital age by introducing a mobile app for customers. Please ensure that we have an up to date mobile number and email address for you. We also plan to offer contactless cards before the year-end. Customers will not be sorry to learn that all this activity means that the bank charge review has been delayed.

In general there has been more staff turnover than we are accustomed to, and we apologise if customers have been inconvenienced by this. In the main, staff have left for personal reasons rather than for better positions at competitor firms.

The bank takes its environmental and social responsibilities seriously. In 2012 we stated an ambition to reduce our carbon output by 20% over two years. After a number of initiatives, our 2014 carbon footprint shows we achieved an absolute reduction of 23%.

Fraud attacks come in many guises. Over the last six months we have 65 customers who have reported their email accounts hacked. These gave rise to 23 fraudulent email requests to send funds out of the bank. We have a good record at fraud prevention, but please use secure communications and expect us to verify any instructions, particularly emails. Please beware of fraudsters impersonating us in person or digitally.

In the book of Genesis, God promises not to flood the world with waters again, and shortly afterwards He saw fit to confound the City of Babel as it was becoming too powerful. The Bible is entirely silent on the subject of the world being flooded with money printed by central banks.

Alexander Hoare
Partner
July 2015

C. HOARE & Co.
CONSOLIDATED BALANCE SHEET
31 MARCH 2015

	£000
ASSETS	
Cash and balances at central banks	495,179
Items in course of collection from banks	2,940
Derivative financial instruments	1,566
Loans and advances to banks	235,867
Loans and advances to customers	1,161,997
Debt securities and other available-for-sale financial assets	1,353,965
Tangible fixed assets	54,014
Heritage Assets	9,619
Prepayments and other assets	17,335
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Total Assets	3,332,482
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LIABILITIES	
Deposits by banks	67
Customer accounts	3,014,306
Derivative financial instruments	41,848
Accruals and other liabilities	27,510
Defined benefit pension scheme liability net of deferred tax	270
Called-up share capital	120
Reserves	248,361
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Total Liabilities	3,332,482
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MEMORANDUM ITEMS	
Contingent liabilities (guarantees)	26,437
Commitments	346,394

Approved at the Annual General Meeting on 23rd July 2015.

Note:

The Auditor's Report by PricewaterhouseCoopers LLP on the statutory financial statements was unqualified.