

The balance sheet overleaf is exceptionally strong and liquid, reflecting the recent sale of our wealth management business. Deposits look flat on last year because the wealth management business was a large depositor. Underlying deposits and the loan book continue to grow at a successful rate.

Severing a healthy limb (wealth management) was uncomfortable but the operation went well. Thank you, staff, customers and counterparties who supported it. The strategy now is to keep calm and carry on banking, which includes our tax, treasury and trustee businesses. We will do this with a renewed focus on customer service, led by Rennie Hoare.

Richard “Tigger” Hoare stood down from the board in March and this year we also lose two long-standing non-executive directors: Ian Peacock and Laurel Powers-Freeling. We are extremely grateful to them guiding us over the last decade. We look forward to welcoming their replacements, Lady Rice and Johanna Waterous.

Our new online banking system is due to go live later this year. It replaces the existing one which has served us well for 10 years and it is designed to integrate seamlessly with our mobile app. It also enables electronic statements to save us bombarding you with post. Our research indicates that our mobile app and online services are not a priority for customers, but we urge you to try them, firstly because they are very user-friendly, and secondly because post and email are more prone to fraud. Thank you, customers who took part in the market research.

We were pleased to win a Beacon award for philanthropy in the City this summer. Through the Golden Bottle Trust, we do some fruitful giving – a few of the beneficiaries gave evening talks last winter. We also collaborate with the Bulldog Trust in the Fore (www.thefore.org) to do some pioneering outreach to small charities. Our donor advised fund, the Master Charitable Trust, has found favour with customers wanting the benefits of their own charitable trust without the burdens. Finally the Golden Bottle Trust entered into a partnership, Project Snowball LLP, in November which aims to make impact investing accessible to all in due course.

I sense William Blake might approve: ‘he who would do good to another must do it in Minute Particulars...General Good is the plea of the scoundrel, hypocrite, and flatterer’ (*Jerusalem*, f. 55, ll. 48–53, 60–6).

Alexander S. Hoare
July 2017

C. HOARE & CO. AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
31 MARCH 2017

	2017 £000
ASSETS	
Cash and balances at central banks	781,177
Items in course of collection from banks	1,611
Derivative financial instruments	1,751
Financial assets ¹	3,518,524
Property and equipment	78,876
Heritage assets	8,435
Deferred tax asset	535
Other assets	1,436
Prepayments and accrued income	16,932
	4,409,277
Total Assets	
LIABILITIES	
Deposits by banks	16
Customer accounts	3,868,199
Derivative financial instruments	143,507
Deferred tax liability	8,909
Other liabilities	17,368
Accruals and deferred income	37,260
Provision for other liabilities	14,289
Post retirement benefit liability	25
Called up share capital	120
Reserves	319,584
	4,409,277
Total Liabilities	
MEMORANDUM ITEMS	
- Contingent liabilities (guarantees)	23,992
- Commitments	347,854

Approved at the Annual General Meeting on 20 July 2017.

Note:

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

¹ Financial Assets comprises of: Loans and advances to banks: £397,875k, Loans and advances to customers: £1,565,129k and Debt and equity securities: £1,555,520k.