

The balance sheet overleaf remains very strong, and reflects healthy profits in the year ending March 2018. We continue to attract a good inflow of high quality new customers and attractive new business (despite concerns over asset prices).

Henry, Sir David and Richard Hoare, with a combined tenure of 182 years at the bank, have recently stepped down from the partnership, but remain employed as consultants. Their record is extraordinary: the balance sheet footings stood at £8.4m when Henry joined the bank in 1953. Customers and colleagues should all be grateful to their stewardship over the years.

Rennie Hoare (aged 32) became a Partner at the end of May. His early training was at Threadneedle Investments and subsequently at T. Rowe Price. He is also our Head of Philanthropy and oversees Messrs. Hoare Trustees, which is seeing something of a renaissance with its donor-advised fund. In essence “the Master Charitable Trust” gives customers (and non-customers) all the benefits of their own charitable trust, with none of the headaches.

The last year has seen a considerable amount of internal change and reorganisation. This is somewhat unfamiliar to us, but may well become the new norm if we are to rise to the disruptive challenges facing financial services imminently.

I apologise for the amount of written communications about routine matters from the bank recently. Harper’s law postulates that all progress results in inconvenience.

This may turn out to be another China century. Confucius explains in principle how to keep the bank constant: “They must often change, who would be constant in happiness or wisdom.” Lao Tzu explains how to do it in more detail: “Respond intelligently even to unintelligent treatment.”

Alexander S. Hoare  
July 2018

**C. HOARE & CO. AND ITS SUBSIDIARY COMPANIES**  
**CONSOLIDATED BALANCE SHEET**  
**31 MARCH 2018**

	<b>2018</b> <b>£000</b>
<b>ASSETS</b>	
Cash and balances at central banks	1,153,969
Items in course of collection from banks	2,108
Derivative financial instruments	8,422
Financial assets <sup>1</sup>	3,292,506
Property and equipment	79,295
Heritage assets	8,755
Deferred tax asset	986
Other assets	405
Prepayments and accrued income	18,121
Post retirement benefit asset	8,546
	4,573,113
<b>LIABILITIES</b>	
Deposits by banks	586
Customer accounts	4,048,889
Derivative financial instruments	125,270
Deferred tax liability	8,959
Other liabilities	2,115
Accruals and deferred income	31,467
Provision for other liabilities	3,370
Called up share capital	120
Reserves	352,337
	4,573,113
<b>MEMORANDUM ITEMS</b>	
- Contingent liabilities (guarantees)	20,959
- Commitments	320,620

Approved at the Annual General Meeting on 21 June 2018.

Note:

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

<sup>1</sup> Financial Assets comprise: Loans and advances to banks: £377,128k, Loans and advances to customers: £1,664,695k and Debt and equity securities: £1,250,683k.