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Registered number: 05192078

EQ INVESTORS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

EQ INVESTORS GROUP LIMITED

COMPANY INFORMATION

Directors	J D Spiers P R Trueman
Registered number	05192078
Registered office	6th Floor 60 Gracechurch Street London EC3V 0HR
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

EQ INVESTORS GROUP LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2017

Business review and future developments

EQ Investors Group Limited is the parent company of the EQ Investors group of companies. Based in the City of London, EQ is an innovative Wealth Management firm that seeks to be the best, not the biggest. It offers a wide range of services to UK clients ranging from those with portfolios of £1,000 to more than £50m.

During the year the Group has seen further growth with Assets under Management increasing from £420m to over £600m. This has contributed to a 19% increase in turnover. Additional recruitment has been required to provide these additional services which has meant that the Group has incurred a loss prior to the charge for amortisation of goodwill arising from the acquisition. The Group is on target to achieve profitability before amortisation of goodwill during the current year.

Principal risks and uncertainties

The Board has identified a number of business, reputational and operational risks that are pertinent to the Groups future performance. There is also considerable focus on managing other business risks such as "know your client" and suitability of advice.

Ultimately the Board is responsible for determining the level of risk acceptable to the Group and this is subject to regular review. The Board ensures effective implementation of policies and procedures which minimise the extent of risk facing the Group at any time. The Group has a Risk Committee which regularly review risks and policies to mitigate these. The Group maintains a Risk Register which is the main tool for monitoring risk, assessing it's impact and considering any mitigating action. A risk is rated based on its probability as well as its potential impact.

Market Risk
Most of the Groups revenues are linked to the value of clients' investments so a significant fall in markets will impact Group revenue. Most client portfolios have a diverse asset allocation matched to their risk profile which limits the impact of a fall in any one asset class. The finance team regularly model various economic scenarios to ensure adequate capital is maintained to cover these scenarios.

KYC & Suitability
Suitability of investments for clients is considered an imperative throughout the Group's activities. The Group is also clear that sufficient "Know your client" information is held on all clients to mitigate risk on inappropriate advice to ensure that clients are provided with products and services that are suitable for them both when investing and on an ongoing basis.

Other Business Risk
The Group is also exposed to a significant loss of clients either through Reputational Risk or the loss of key staff. The former is managed by a significant strengthened investment process and the latter by an alignment of interest between key employees and shareholders.

Financial key performance indicators

The Group's financial key performance indicators are considered to be turnover and profit before amortisation of goodwill.

Other key performance indicators

The Group's other key performance indicators are assets under management and the proportion of assets under fee based discretionary management.

This report was approved by the board on 27/7/17 and signed on its behalf.

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J D Spiers
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2017

The directors present their report and the financial statements for the year ended 30 April 2017.

Principal activity

The principal activity of the company continued to be that of that of a holding company. The principal activity of the company's subsidiaries was wealth management services.

Directors

The directors who served during the year were:

J D Spiers
P R Trueman

E W Welsby, a director during the year, resigned on 28 October 2016.

Results and dividends

The loss for the year, after taxation, amounted to £2,557,016 (2016 - loss £2,656,968).

No dividends were declared in respect of the year (2016: £nil).

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

This report was approved by the board on 27/7/17 and signed on its behalf.

J D Spiers
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EQ INVESTORS GROUP LIMITED

We have audited the financial statements of EQ Investors Group Limited for the year ended 30 April 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 30 April 2017 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EQ INVESTORS GROUP LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MHA MacIntyre Hudson

Rakesh Shaunak FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ
Date: 08/08/17

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2017

	Note	2017 £	2016 £
Turnover	4	**5,654,027**	4,763,650
Cost of sales		**(517,997)**	(115,721)
Gross profit		**5,136,030**	4,647,929
Administrative expenses		**(6,373,700)**	(5,925,372)
Exceptional administrative expenses		**(1,291,412)**	(1,291,412)
Operating loss	5	**(2,529,082)**	(2,568,855)
Amounts written off investments		**-**	(88,749)
Interest receivable and similar income	8	**781**	819
Interest payable and expenses	9	**-**	(183)
Loss before taxation		**(2,528,301)**	(2,656,968)
Tax on loss	10	**(28,715)**	-
Loss for the financial year		**(2,557,016)**	(2,656,968)
(Loss) for the year attributable to:			
Owners of the parent Company		**(2,557,016)**	(2,656,968)

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 15 to 30 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	12		**9,577,972**		10,869,384
Tangible assets	13		**426,287**		462,352
			10,004,259		11,331,736
Current assets					
Debtors	15	**908,798**		770,825	
Cash at bank and in hand	16	**453,572**		1,566,078	
		1,362,370		2,336,903	
Creditors: amounts falling due within one year	17	**(992,634)**		(1,737,628)	
Net current assets			**369,736**		599,275
Total assets less current liabilities			**10,373,995**		11,931,011
Net assets			**10,373,995**		11,931,011
Capital and reserves					
Called up share capital	19		**15,500,000**		14,500,000
Profit and loss account	20		**(5,126,005)**		(2,568,989)
			10,373,995		11,931,011

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21/7/17

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J D Spiers
Director

The notes on pages 15 to 30 form part of these financial statements.

EQ INVESTORS GROUP LIMITED
REGISTERED NUMBER: 05192078

COMPANY BALANCE SHEET
AS AT 30 APRIL 2017

	Note		2017 £		2016 £
Fixed assets					
Investments	14		**15,500,000**		14,500,000
			15,500,000		14,500,000
Creditors: amounts falling due within one year	17	**(27,153)**		(21,033)	
Net current liabilities			**(27,153)**		(21,033)
Total assets less current liabilities			**15,472,847**		14,478,967
Net assets			**15,472,847**		14,478,967
Capital and reserves					
Called up share capital	19		**15,500,000**		14,500,000
Profit and loss account	20		**(27,153)**		(21,033)
			15,472,847		14,478,967

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

27/7/17

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J D Spiers
Director

The notes on pages 15 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 May 2016	14,500,000	(2,568,989)	11,931,011	11,931,011
Loss for the year	-	(2,557,016)	(2,557,016)	(2,557,016)
Contributions by and distributions to owners				
Shares issued during the year	1,000,000	-	1,000,000	1,000,000
Total transactions with owners	1,000,000	-	1,000,000	1,000,000
At 30 April 2017	15,500,000	(5,126,005)	10,373,995	10,373,995

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 APRIL 2016

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 May 2015	14,500,000	87,979	14,587,979	14,587,979
Loss for the year	-	(2,656,968)	(2,656,968)	(2,656,968)
At 30 April 2016	14,500,000	(2,568,989)	11,931,011	11,931,011

The notes on pages 15 to 30 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2016	14,500,000	(21,033)	14,478,967
Loss for the year	-	(6,120)	(6,120)
Contributions by and distributions to owners			
Shares issued during the year	1,000,000	-	1,000,000
Total transactions with owners	**1,000,000**	**-**	**1,000,000**
At 30 April 2017	**15,500,000**	**(27,153)**	**15,472,847**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2015	14,500,000	(9,033)	14,490,967
Loss for the year	-	(12,000)	(12,000)
At 30 April 2016	**14,500,000**	**(21,033)**	**14,478,967**

The notes on pages 15 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	**(2,557,016)**	(2,656,968)
Adjustments for:		
Amortisation of intangible assets	**1,291,412**	1,291,412
Depreciation of tangible assets	**54,565**	48,272
Impairments of fixed assets	**32,500**	88,749
Interest paid	**-**	183
Interest received	**(781)**	(819)
Taxation	**28,715**	-
Decrease in debtors	**(172,934)**	1,019,654
Increase in creditors	**(744,996)**	1,067,322
Corporation tax	**6,248**	(2,487)
Net cash generated from operating activities	**(2,062,287)**	855,318
Cash flows from investing activities		
Purchase of tangible fixed assets	**(18,500)**	(10,891)
Purchase of unlisted and other investments	**(32,500)**	(88,749)
Interest received	**781**	819
Net cash from investing activities	**(50,219)**	(98,821)
Cash flows from financing activities		
Issue of ordinary shares	**1,000,000**	-
Interest paid	**-**	(183)
Net cash used in financing activities	**1,000,000**	(183)
Net increase / (decrease) in cash and cash equivalents	**(1,112,506)**	756,314
Cash and cash equivalents at beginning of year	**1,566,078**	809,764
Cash and cash equivalents at the end of year	**453,572**	1,566,078
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**453,572**	1,566,078
	453,572	1,566,078

1. General information

The company is a private company limited by shares and is incorporated in England and Wales. Its registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR and it is based at Centennium House, 100 Lower Thames Street, London EC3R 6DL. These financial statements represent the consolidated results of the group of which EQ Investors Group Limited is the parent company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

2. Accounting policies (continued)

2.3 Revenue

Turnover comprises revenue recognised by the company in respect of services supplied. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance..

Revenue due for the year end, but not received until after year end, is disclosed in the accounts and recognised under accrued income.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures fittings and equipment - 25-33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2. *Accounting policies (continued)*

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.16 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The key judgments applied in the preparation of these financial statements were as follows:

1. Going Concern
The Group has incurred losses since its formation. However the directors consider that sufficient financial support will continue to be given by the Group's ultimate controlling party and that future projections show the Group achieving profitability in the medium term. On this basis the financial statements have been prepared on the going concern basis.

2. Valuation of intangible assets
The goodwill of the Group is intrinsically linked with the applicability of the going concern concept and the ongoing assessment of the Group's profitability. The directors have assessed the future financial projections of the Group and consider that the Group will achieve this in the medium term, however in view of the deferred consideration no longer payable in respect of this goodwill they consider there is a requirement for an impairment charge of £1,800,000 during the year.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Wealth management	**5,654,027**	4,763,650
	5,654,027	4,763,650

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	**5,654,027**	4,763,650
	5,654,027	4,763,650

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	**54,565**	48,272
Amortisation of intangible assets, including goodwill	**1,291,412**	1,291,412
Fees payable to the Group's auditor for the audit of the company's annual financial statements	**21,950**	27,700
Other operating lease rentals	**289,397**	286,378
Defined contribution pension cost	**199,089**	50,113

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**21,950**	27,700
	21,950	27,700

Fees payable to the Group's auditor in respect of:

	2017 £	2016 £
The auditing of accounts of the Group pursuant to legislation	**18,800**	24,000
Other services relating to taxation	**3,150**	3,700
	21,950	27,700

7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	**3,642,641**	3,445,066
Social security costs	**388,264**	369,658
Cost of defined contribution scheme	**199,089**	50,113
	4,229,994	3,864,837

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Consultants and administrative staff	**52**	50

8. Interest receivable

	2017 £	2016 £
Bank interest receivable	**781**	819
	781	819

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	**-**	183
	-	183

10. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of previous periods	**28,715**	-
Total current tax	**28,715**	-

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	**(2,528,301)**	(2,656,968)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	**(505,660)**	(531,394)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**258,282**	258,282
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**5,367**	79,875
Capital allowances for year in excess of depreciation	**119**	(691)
Adjustments to tax charge in respect of prior periods	**28,715**	-
Unrelieved tax losses carried forward	**241,892**	193,928
Total tax charge for the year	**28,715**	-

Factors that may affect future tax charges

The Group has tax losses of approximately £3,800,000 (2016 - £2,700,000) available for use against future trading profits.

11. Exceptional items

	2017	2016
	£	£
Amortisation of goodwill	**1,291,412**	1,291,412
	1,291,412	1,291,412

During the year the Group impaired goodwill to the value of £1,800,000 as a result of the revision of an earn out on the previous purchase of a client list. This amount is offset by the release of a creditor for £1,800,000 that would have been payable if the earn out had been achieved.

12. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 May 2016	**12,914,120**
At 30 April 2017	**12,914,120**
Amortisation	
At 1 May 2016	**2,044,736**
Charge for the year	**1,291,412**
At 30 April 2017	**3,336,148**
Net book value	
At 30 April 2017	**9,577,972**
At 30 April 2016	10,869,384

13. Tangible fixed assets

Group

	Fixtures and fittings £
Cost or valuation	
At 1 May 2016	**534,651**
Additions	**18,500**
At 30 April 2017	**553,151**
Depreciation	
At 1 May 2016	**72,299**
Charge for the year on owned assets	**54,565**
At 30 April 2017	**126,864**
Net book value	
At 30 April 2017	**426,287**
At 30 April 2016	462,352

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Best Investment Limited	Ordinary	100 %	Holding company
EQ Investors Holding Limited	Ordinary	100 %	Holding company
EQ Investors Limited	Ordinary	100 %	Wealth management

Argent (UK) Limited and Argent Personal Finance Managers Limited were dissolved during the year.

14. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 30 April 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
Best Investment Limited	16,516,216	(3,199)
EQ Investors Holdings Limited	2,641,963	(403,109)
EQ Investors Limited	4,631,509	(1,114,879)
	23,789,688	(1,521,187)

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 May 2016	14,500,000
Additions	1,000,000
At 30 April 2017	15,500,000
Net book value	
At 30 April 2017	15,500,000
At 30 April 2016	14,500,000

15. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due after more than one year				
Other debtors	**202,994**	202,994	-	-
	202,994	202,994	-	-
Due within one year				
Trade debtors	**13,116**	10,028	-	-
Other debtors	**75,290**	130,317	-	-
Prepayments and accrued income	**617,398**	427,486	-	-
	908,798	770,825	-	-

16. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	**453,572**	1,566,078	-	-
	453,572	1,566,078	-	-

17. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	**22,488**	67,809	-	-
Amounts owed to group undertakings	-	-	**21,034**	15,033
Other taxation and social security	**138,619**	93,163	-	-
Other creditors	**14,803**	1,017,087	-	-
Accruals and deferred income	**816,724**	559,569	**6,119**	6,000
	992,634	1,737,628	**27,153**	21,033

18. Financial instruments

	Group 2017 £	Group 2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**1,193,472**	2,234,720
	1,193,472	2,234,720
Financial liabilities		
Financial liabilities measured at amortised cost	**(795,213)**	(627,379)
	(795,213)	(627,379)

Financial assets that are debt instruments measured at amortised cost comprise investments, other debtors, trade debtors, accrued income and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

19. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1,500,000 ordinary shares of £1 each	**1,500,000**	1,500,000
14,000,000 (2016 - 13,000,000) preference shares of £1 each	**14,000,000**	13,000,000
	15,500,000	14,500,000

Additional share capital was issued during the year to increase the capital base of the Group.

20. Reserves

Share premium account

This represents the accumulated excess of share capital issued over nominal value.

Profit and loss account

This represents the accumulated profits or losses of the Company.

21. Commitments under operating leases

The Group and the Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

22. Related party transactions

At the year end date the company owed Best Investments Limited £21,034 (2016: £15,033).

The remuneration of key management personnel for the Group was £1,266,402 (2016: £1,050,859).

23. Controlling party

The ultimate controlling party of the Group and the Company in both years was J D Spiers.