

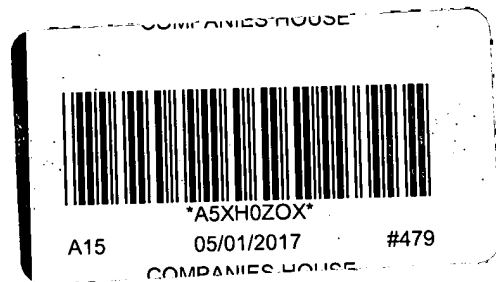
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Registered number: 05192078

**EQ INVESTORS GROUP LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2016**



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**EQ INVESTORS GROUP LIMITED**

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**COMPANY INFORMATION**

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**Directors**

J D Spiers  
P R Trueman  
E W Welsby

**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

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**EQ INVESTORS GROUP LIMITED**

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## EQ INVESTORS GROUP LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2016

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#### **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 £50 million.

During the year the Group has successfully launched its Bespoke discretionary management service for clients with over £750,000 and now has over £150m on this service. It has also launched the low cost Simply EQ web/phone based service so that clients with as little as £1,000 can access the EQ investment process. 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.

#### **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.

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EQ INVESTORS GROUP LIMITED

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GROUP STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 30 APRIL 2016

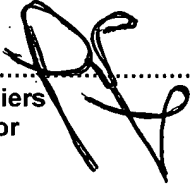
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This report was approved by the board on

21/8/16

and signed on its behalf.

.....  
J D Spiers  
Director



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## **EQ INVESTORS GROUP LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2016**

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The directors present their report and the financial statements for the year ended 30 April 2016.

#### **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

#### **Results and dividends**

The loss for the year, after taxation, amounted to £2,656,968 (2015 - loss £1,020,575).

No dividends were declared in respect of the year (2015: £nil).

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the 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 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; and
- 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 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.

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**EQ INVESTORS GROUP LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2016**

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**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 that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that 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**

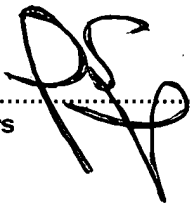
There have been no significant events affecting the Group since the year end.

This report was approved by the board on

**2/8/16**

and signed on its behalf.

.....  
J D Spiers  
Director



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**EQ INVESTORS GROUP LIMITED**

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

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We have audited the financial statements of EQ Investors Group Limited for the year ended 30 April 2016, which comprise the Group Profit and Loss Account, 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 the Companies Act 2006 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, 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 2016 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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 the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.



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**EQ INVESTORS GROUP LIMITED**

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

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**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*

Rajeev 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: 02/08/16

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**EQ INVESTORS GROUP LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2016**

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		2016 £	2015 £
Turnover	4	4,763,650	2,905,510
Cost of sales		<u>(115,721)</u>	<u>(26,105)</u>
<b>Gross profit</b>		<b>4,647,929</b>	<b>2,879,405</b>
Administrative expenses		(5,925,372)	(3,177,844)
Amortisation of goodwill		(1,291,412)	(753,324)
Other operating income	5	<u>-</u>	<u>5,497</u>
<b>Operating loss</b>	<b>6</b>	<b>(2,568,855)</b>	<b>(1,046,266)</b>
Amounts written off investments		(88,749)	-
Interest receivable and similar income	10	819	712
Interest payable and similar charges	11	<u>(183)</u>	<u>(6,841)</u>
<b>Loss before tax</b>		<b>(2,656,968)</b>	<b>(1,052,395)</b>
Tax on loss on ordinary activities	12	<u>-</u>	<u>31,820</u>
<b>Loss for the year</b>		<b><u>(2,656,968)</u></b>	<b><u>(1,020,575)</u></b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated profit and loss account.

The notes on pages 16 to 33 form part of these financial statements.

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**EQ INVESTORS GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2016**

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	Note	2016 £	2015 £
Profit for the financial year		<u>(2,656,968)</u>	<u>(1,020,575)</u>
<b>Profit for the year/period attributable to:</b>			
Owners of the parent Company		<u>(2,656,968)</u>	<u>(1,020,575)</u>
		<u>(2,656,968)</u>	<u>(1,020,575)</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent Company		<u>(2,656,968)</u>	<u>(1,020,575)</u>
		<u>(2,656,968)</u>	<u>(1,020,575)</u>

There was no other comprehensive income for 2016 (2015:£NIL).

EQ INVESTORS GROUP LIMITED  
REGISTERED NUMBER:05192078

CONSOLIDATED BALANCE SHEET  
AS AT 30 APRIL 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	13	10,869,384	12,160,796
Tangible assets	15	462,352	510,158
		<u>11,331,736</u>	<u>12,670,954</u>
<b>Current assets</b>			
Debtors	17	770,825	1,780,054
Cash at bank and in hand	18	1,566,078	809,764
		<u>2,336,903</u>	<u>2,589,818</u>
Creditors: amounts falling due within one year	19	<u>(1,737,628)</u>	<u>(672,793)</u>
<b>Net current assets</b>		<u>599,275</u>	<u>1,917,025</u>
<b>Total assets less current liabilities</b>		<u>11,931,011</u>	<u>14,587,979</u>
<b>Provisions for liabilities</b>			
<b>Net assets excluding pension asset</b>		<u>11,931,011</u>	<u>14,587,979</u>
<b>Net assets</b>		<u>11,931,011</u>	<u>14,587,979</u>
<b>Capital and reserves</b>			
Called up share capital	20	14,500,000	14,500,000
Profit and loss account	21	(2,568,989)	87,979
<b>Equity attributable to owners of the Parent Company</b>		<u>11,931,011</u>	<u>14,587,979</u>

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

2/8/16

  
.....  
J D Spiers  
Director

The notes on pages 16 to 33 form part of these financial statements.

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**EQ INVESTORS GROUP LIMITED**  
**REGISTERED NUMBER:05192078**

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**COMPANY BALANCE SHEET**  
**AS AT 30 APRIL 2016**

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	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	16	14,500,000	929,082
		<u>14,500,000</u>	<u>929,082</u>
<b>Current assets</b>			
Debtors	17	-	13,561,885
		<u>-</u>	<u>13,561,885</u>
Creditors: amounts falling due within one year	19	(21,033)	-
		<u>(21,033)</u>	<u>-</u>
<b>Net current (liabilities)/assets</b>		<u>(21,033)</u>	<u>13,561,885</u>
<b>Total assets less current liabilities</b>		<u>14,478,967</u>	<u>14,490,967</u>
<b>Net assets excluding pension asset</b>		<u>14,478,967</u>	<u>14,490,967</u>
<b>Net assets</b>		<u>14,478,967</u>	<u>14,490,967</u>
<b>Capital and reserves</b>			
Called up share capital	20	14,500,000	14,500,000
Profit and loss account	21	(21,033)	(9,033)
		<u>14,478,967</u>	<u>14,490,967</u>

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

  
.....  
J D Spiers  
Director

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EQ INVESTORS GROUP LIMITED

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

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	Share capital £	Retained earnings £	Equity attributable to owners of parent Company £	Total equity £
At 1 May 2015	14,500,000	87,979	14,587,979	14,587,979
<b>Comprehensive income for the year</b>				
Loss for the year	-	(2,656,968)	(2,656,968)	(2,656,968)
<b>Total comprehensive income for the year</b>	-	(2,656,968)	(2,656,968)	(2,656,968)
<b>At 30 April 2016</b>	<u>14,500,000</u>	<u>(2,568,989)</u>	<u>11,931,011</u>	<u>11,931,011</u>

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**EQ INVESTORS GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 APRIL 2015**

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	Share capital £	Retained earnings £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2014	1,456,109	6,108,554	7,564,663	7,564,663
<b>Comprehensive income for the period</b>				
Loss for the period	-	(1,020,575)	(1,020,575)	(1,020,575)
Capitalisation of reserves	-	(5,000,000)	(5,000,000)	(5,000,000)
Shares issued during the period	13,043,891	-	13,043,891	13,043,891
<b>At 30 April 2015</b>	<b>14,500,000</b>	<b>87,979</b>	<b>14,587,979</b>	<b>14,587,979</b>

The notes on pages 16 to 33 form part of these financial statements.

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**EQ INVESTORS GROUP LIMITED**

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

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	Share capital £	Retained earnings £	Total equity £
At 1 May 2015	14,500,000	(9,033)	14,490,967
<b>Comprehensive income for the period</b>			
Loss for the year	-	(12,000)	(12,000)
<b>Total comprehensive income for the year</b>	-	(12,000)	(12,000)
At 30 April 2016	<u>14,500,000</u>	<u>(21,033)</u>	<u>14,478,967</u>



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**EQ INVESTORS GROUP LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 APRIL 2015**

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	Share capital £	Retained earnings £	Total equity £
At 1 April 2014	1,456,109	-	1,456,109
<b>Comprehensive income for the period</b>			
Profit for the period	-	4,990,967	4,990,967
<b>Total comprehensive income for the period</b>	-	4,990,967	4,990,967
<b>Contributions by and distributions to owners</b>			
Capitalisation/bonus issue	-	(5,000,000)	(5,000,000)
Shares issued during the period	13,043,891	-	13,043,891
<b>At 30 April 2015</b>	<b>14,500,000</b>	<b>(9,033)</b>	<b>14,490,967</b>

The notes on pages 16 to 33 form part of these financial statements.

**EQ INVESTORS GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 APRIL 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	(2,656,968)	(1,020,575)
<b>Adjustments for:</b>		
Amortisation of intangible assets	1,291,412	753,324
Depreciation of tangible assets	48,272	25,433
Loss on disposal of tangible assets	-	1,946
Interest paid	183	(712)
Interest received	(819)	6,841
Taxation	-	(31,820)
Decrease in debtors	1,019,654	4,350,157
Increase in creditors	1,067,322	218,307
Corporation tax	(2,487)	(422,295)
Loss on disposal of intangibles	-	219,067
Impairment of investments	88,749	-
<b>Net cash generated from operating activities</b>	<b>855,318</b>	<b>4,099,673</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(10,891)	(522,796)
Sale of tangible fixed assets	-	11,444
Purchase of unlisted and other investments	(88,749)	-
Sale of unlisted and other investments	-	1,800,000
Interest received	819	712
Acquisitions	-	(13,662,796)
Net assets acquired	-	748,676
<b>Net cash from investing activities</b>	<b>(98,821)</b>	<b>(11,624,760)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	8,043,891
Interest paid	(183)	(6,841)
<b>Net cash used in financing activities</b>	<b>(183)</b>	<b>8,037,050</b>
<b>Net increase in cash and cash equivalents</b>	<b>756,314</b>	<b>511,963</b>
Cash and cash equivalents at beginning of year	809,764	297,801
<b>Cash and cash equivalents at the end of year</b>	<b>1,566,078</b>	<b>809,764</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,566,078	809,764
	<b>1,566,078</b>	<b>809,764</b>

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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**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 and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

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 Company'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 Group and its own subsidiaries ("the Group") as they formed 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 Profit and Loss Account 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. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016

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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 relating to commissions 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 Profit and Loss Account 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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 within 'other operating income' in the Income Statement.

**2.6 Operating leases: Lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

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 Profit and Loss Account 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**2. Accounting policies (continued)**

**2.8 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.

**2.9 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 Company's cash management.

**2.10 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 accounts receivable and payable, 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 payables or receivables, 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 outright 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 Profit and Loss Account.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**2. Accounting policies (continued)**

**2.11 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.

**2.12 Finance costs**

Finance costs are charged to the Profit and Loss Account 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.

**2.13 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 payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account 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.

**2.14 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**2. Accounting policies (continued)**

**2.15 Taxation**

Tax is recognised in the Profit and Loss Account, except that a change 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 and therefore do not consider there is a requirement for any impairment charge in respect of goodwill.



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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**4. Analysis of turnover**

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

	2016 £	2015 £
Wealth management	4,763,650	2,905,510
	<u>4,763,650</u>	<u>2,905,510</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	4,763,650	2,905,510
	<u>4,763,650</u>	<u>2,905,510</u>

**5. Other operating income**

	2016 £	2015 £
Other operating income	-	5,497
	<u>-</u>	<u>5,497</u>

**6. Operating loss**

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	48,272	25,444
Amortisation of intangible assets, including goodwill	1,291,412	753,324
Fees payable to the Group's auditor for the audit of the company's annual financial statements	27,700	33,000
Other operating lease rentals	286,378	144,981
Defined contribution pension cost	50,113	77,814
	<u>50,113</u>	<u>77,814</u>

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EQ INVESTORS GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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7. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	27,700	33,000
	<u>27,700</u>	<u>33,000</u>
<b>Fees payable to the Group's auditor in respect of:</b>		
The auditing of accounts of associates of the Group pursuant to legislation	24,000	29,000
Other services relating to taxation	3,700	4,000
	<u>27,700</u>	<u>33,000</u>

8. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,445,066	1,954,989
Social security costs	369,658	215,020
Cost of defined contribution scheme	50,113	77,814
	<u>3,864,837</u>	<u>2,247,823</u>

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

	2016 No.	2015 No.
Consultants and administrative staff	50	38
	<u>50</u>	<u>38</u>

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	205,048	73,791
Company contributions to defined contribution pension schemes	34,836	-
	<u>239,884</u>	<u>73,791</u>

During the year retirement benefits were accruing to 1 director (2015 - NIL) in respect of defined contribution pension schemes.

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EQ INVESTORS GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016

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10. Interest receivable

	2016 £	2015 £
Bank interest receivable	819	712
	<u>819</u>	<u>712</u>

11. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	183	183
Other loan interest payable	-	6,658
	<u>183</u>	<u>6,841</u>

12. Taxation

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	(34,963)
Adjustments in respect of previous periods	-	3,143
	<u>-</u>	<u>(31,820)</u>
<b>Total current tax</b>	<u>-</u>	<u>(31,820)</u>

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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**12. Taxation (continued)****Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>(2,656,968)</u>	<u>(1,052,395)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(531,394)	(210,479)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	79,875	58,819
Capital allowances for year/period in excess of depreciation	(691)	(109,963)
Adjustments to tax charge in respect of prior periods	-	3,143
Unrelieved tax losses carried forward	452,210	303,177
Other differences leading to an increase (decrease) in the tax charge	-	(76,517)
<b>Total tax charge for the year/period</b>	<u>-</u>	<u>(31,820)</u>

**Factors that may affect future tax charges**

The group has tax losses of approximately £2,700,000 (2015 - £1,600,000) available for use against future trading profits.

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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**13. Intangible assets**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 May 2015	12,914,120
At 30 April 2016	<u>12,914,120</u>
<b>Amortisation</b>	
At 1 May 2015	753,324
Charge for the year	1,291,412
At 30 April 2016	<u>2,044,736</u>
<b>Net book value</b>	
At 30 April 2016	<u>10,869,384</u>
At 30 April 2015	<u>12,160,796</u>

**14. Parent Company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The loss after tax of the parent Company for the year/period was £7,000 (2015 - profit after dividend of £5,000,000 of £4,990,967).

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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**15. Tangible fixed assets**

**Group**

	<b>Fixtures fittings and equipment £</b>
<b>Cost or valuation</b>	
At 1 May 2015	534,185
Additions	466
At 30 April 2016	<u>534,651</u>
<b>Depreciation</b>	
At 1 May 2015	24,027
Charge owned for the period	48,272
At 30 April 2016	<u>72,299</u>
<b>Net book value</b>	
At 30 April 2016	<u>462,352</u>
At 30 April 2015	<u>510,158</u>

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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**16. Fixed asset investments**

**Group**

	<b>Unlisted investments £</b>
<b>Cost or valuation</b>	
Additions	<u>88,749</u>
At 30 April 2016	<u>88,749</u>
<b>Impairment</b>	
Charge for the period	<u>88,749</u>
At 30 April 2016	<u>88,749</u>
At 30 April 2016	<u>          </u>
At 30 April 2015	<u>          </u>

**EQ INVESTORS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

**16. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Best Investment Limited		Ordinary	100 %	Holding company
EQ Investors Holding Limited		Ordinary	100 %	Holding company
Argent (UK) Limited		Ordinary	100 %	Dormant
Argent Personal Finance Managers Limited		Ordinary	100 %	Dormant
EQ Investors Limited		Ordinary	100 %	Wealth management

The aggregate of the share capital and reserves as at 30 April 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of share capital and reserves</b>	<b>Profit/(loss)</b>
	<b>£</b>	<b>£</b>
Best Investment Limited	15,519,415	(5,251)
EQ Investors Holdings Limited	3,045,072	(56,505)
Argent (UK) Limited	872,716	-
Argent Personal Finance Managers Limited	341,940	(96,730)
EQ Investors Limited	5,216,708	(1,584,750)
	<u>24,995,851</u>	<u>(1,743,236)</u>

**Company**

	<b>Investments in subsidiary companies</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 May 2015	929,082
Additions	13,570,918
At 30 April 2016	<u>14,500,000</u>



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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**16. Fixed asset investments (continued)**

**Net book value**

At 30 April 2016

**14,500,000**

At 30 April 2015

**929,082**

**EQ INVESTORS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

**17. Debtors**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
<b>Due after more than one year</b>				
Other debtors	202,994	202,994	-	-
	<u>202,994</u>	<u>202,994</u>	<u>-</u>	<u>-</u>
<b>Due within one year</b>				
Trade debtors	10,028	27,988	-	-
Amounts owed by group undertakings	-	-	-	12,856,993
Other debtors	138,817	1,084,363	-	704,892
Prepayments and accrued income	418,986	464,709	-	-
	<u>770,825</u>	<u>1,780,054</u>	<u>-</u>	<u>13,561,885</u>

**18. Cash and cash equivalents**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	1,566,078	809,764	-	-
	<u>1,566,078</u>	<u>809,764</u>	<u>-</u>	<u>-</u>

**19. Creditors: Amounts falling due within one year**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	67,809	77,772	-	-
Amounts owed to group undertakings	-	-	15,033	-
Corporation tax	-	2,487	-	-
Taxation and social security	93,163	90,803	-	-
Other creditors	1,017,087	4,315	-	-
Accruals and deferred income	559,569	497,416	6,000	-
	<u>1,737,628</u>	<u>672,793</u>	<u>21,033</u>	<u>-</u>

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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**20. Share capital**

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
1,500,000 ordinary shares of £1 each	1,500,000	1,500,000
13,000,000 preference shares of £1 each	13,000,000	13,000,000
	<u>14,500,000</u>	<u>14,500,000</u>

**21. Reserves****Share premium**

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.

**22. Commitments under operating leases**

At 30 April 2016 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
<b>Group</b>		
Later than 5 years	2,903,948	3,242,272
<b>Total</b>	<u>2,903,948</u>	<u>3,242,272</u>

**23. Related party transactions**

At the year end date the company owed Best Investments Limited £15,033 (2015: £12,856,993 owed to the company).

The remuneration of key management personnel for the group was £1,005,396 (2015: £546,898).

**24. Controlling party**

The ultimate controlling party of the company and group is J D Spiers.

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**EQ INVESTORS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2016**

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**25. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the period ended 30 April 2015. The date of transition to FRS 102 was 1 July 2014.