

**EQ INVESTORS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2017**



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**EQ INVESTORS LIMITED**

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**COMPANY INFORMATION**

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**Directors**

J D Spiers  
S G P Callaghan  
P R Trueman  
A Branfield  
M I Kenner  
J Boyle  
M Neumann

**Registered number**

07223330

**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 LIMITED**

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## **EQ INVESTORS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2017**

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The directors present the strategic report for the year ended 30 April 2017.

#### **Business review and future developments**

EQ Investors Limited is the principal operating 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 Company 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 Company has incurred a loss prior to the charge for amortisation of goodwill arising from the acquisition. The Company 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 Company's 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 Company at any time. The Company has a Risk Committee who regularly review risks and policies to mitigate these. The Company maintains a Risk Register which is the main tool for monitoring risk, assessing its 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 Company's revenues are linked to the value of clients' investments so a significant fall in markets will impact the Company's revenue. Most client portfolios have a diverse asset allocation matched to the clients 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 Company's activities. The Company 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 Company 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 financial key performance indicators are considered to be turnover and profit before amortisation of goodwill.

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**EQ INVESTORS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2017**

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**Other key performance indicators**

Other key performance indicators are considered to be assets under management and proportion of assets under fee based discretionary management.

This report was approved by the board on

27/7/17

and signed on its behalf.

**J D Spiers  
Director**



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## **EQ INVESTORS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2017**

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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 wealth management consultancy.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £1,114,878 (2016 - loss £1,555,070).

No dividends were paid or proposed in respect of the period (2016 - £nil).

#### **Directors**

The directors who served during the year were:

J D Spiers  
S G P Callaghan  
P R Trueman  
E W Welsby (resigned 28 October 2016)  
A Branfield  
M I Kenner  
J Boyle  
M Neumann

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

The directors are responsible for preparing the 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**EQ INVESTORS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2017**

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**Matters covered in the strategic report**

Information relating to the future developments of the Company has been included within the strategic report.

**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'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's auditor is aware of that information.

**Post balance sheet events**

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

This report was approved by the board on

27/7/17

and signed on its behalf.

**J D Spiers  
Director**



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**EQ INVESTORS LIMITED**

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

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We have audited the financial statements of EQ Investors Limited for the year ended 30 April 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 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 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 Company's affairs as at 30 April 2017 and of its profit or 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, based on the work undertaken in the course of the audit, the information given in the 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.



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**EQ INVESTORS LIMITED**

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

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**Matters on which we are required to report by exception**

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

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**EQ INVESTORS LIMITED**

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

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	Note	2017 £	2016 £
Turnover	4	5,654,027	4,750,233
Cost of sales		(708,387)	(163,878)
<b>Gross profit</b>		<b>4,945,640</b>	<b>4,586,355</b>
Administrative expenses		(6,075,518)	(5,781,425)
Amortisation of goodwill	11	15,000	(360,000)
Exceptional income and expenditure	6	-	-
<b>Operating loss</b>	5	<b>(1,114,878)</b>	<b>(1,555,070)</b>
<b>Loss before tax</b>		<b>(1,114,878)</b>	<b>(1,555,070)</b>
Tax on loss	10	-	-
<b>Loss for the year</b>		<b>(1,114,878)</b>	<b>(1,555,070)</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

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

The notes on pages 11 to 22 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	11	<u>1,425,000</u>	<u>3,210,000</u>
		<b>1,425,000</b>	<b>3,210,000</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	4,655,057	4,443,828
Cash at bank and in hand	14	<u>232,769</u>	<u>116,589</u>
		<b>4,887,826</b>	<b>4,560,417</b>
Creditors: amounts falling due within one year	15	<u>(1,681,316)</u>	<u>(2,524,029)</u>
<b>Net current assets</b>		<u><b>3,206,510</b></u>	<u><b>2,036,388</b></u>
<b>Total assets less current liabilities</b>		<u><b>4,631,510</b></u>	<u><b>5,246,388</b></u>
<b>Net assets</b>		<u><u><b>4,631,510</b></u></u>	<u><u><b>5,246,388</b></u></u>
<b>Capital and reserves</b>			
Called up share capital	17	7,850,001	7,350,001
Profit and loss account		<u>(3,218,491)</u>	<u>(2,103,613)</u>
		<u><b>4,631,510</b></u>	<u><b>5,246,388</b></u>

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

**J D Spiers**  
Director



27/7/17

The notes on pages 11 to 22 form part of these financial statements.

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**EQ INVESTORS LIMITED**

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

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 May 2016	7,350,001	(2,103,613)	5,246,388
<b>Comprehensive income for the year</b>			
Loss for the year	-	(1,114,878)	(1,114,878)
Shares issued during the year	500,000	-	500,000
<b>At 30 April 2017</b>	<b>7,850,001</b>	<b>(3,218,491)</b>	<b>4,631,510</b>

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**EQ INVESTORS LIMITED**

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

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2015	4,950,001	(548,543)	4,401,458
<b>Comprehensive income for the year</b>			
Loss for the year	-	(1,555,070)	(1,555,070)
Shares issued during the year	2,400,000	-	2,400,000
<b>At 30 April 2016</b>	<b>7,350,001</b>	<b>(2,103,613)</b>	<b>5,246,388</b>

The notes on pages 11 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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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.

The principal activity of the Company is wealth management consultancy.

**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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of EQ Investors Group Limited as at 30 April 2017 and these financial statements may be obtained from 6th Floor, 60 Gracechurch Street, London EC3V 0HR.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017

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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 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 Company 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 Company 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 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 Statement of Comprehensive Income over its useful economic life of ten years.

The Company has taken advantage of the transitional exemption not to separately identify the components of goodwill prior to the adoption of FRS 102.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017

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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 Company 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 Company. 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:

Computer equipment	-	33% reducing balance
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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 Statement of Comprehensive Income.

**2.6 Operating leases: the Company as lessee**

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

**2.7 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.

**2.8 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**2. Accounting policies (continued)**

**2.9 Financial instruments**

The Company 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 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 Company would receive for the asset if it were to be sold at the reporting date.

**2.10 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.

**2.11 Pensions**

**Defined contribution pension plan**

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017

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

**Going Concern**

The Company has incurred losses in the previous three years, the directors have relied upon the continued financial support provided within the Group to which it belongs and it has been indicated that support will continue.

**Valuation of intangible assets**

The goodwill of the Company is intrinsically linked with the applicability of the going concern concept and the ongoing assessment of the Company's profitability. The directors have assessed the future financial projections of the Company and consider that the Company 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

	2017 £	2016 £
United Kingdom	5,654,027	4,750,233
	<u>5,654,027</u>	<u>4,750,233</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets, including goodwill	(15,000)	360,000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	12,250	12,000
Other operating lease rentals	289,397	286,378
Defined contribution pension cost	199,089	50,113
	<u>                    </u>	<u>                    </u>

6. Exceptional items

During the year the Company 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.

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**7. Auditor's remuneration**

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,250	12,000
	<u>12,250</u>	<u>12,000</u>

Included in the above is an amount of £1,000 (2016: £1,000) relating to tax compliance services.

**8. Employees**

Staff costs, including directors' remuneration, 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
	<u>4,229,994</u>	<u>3,864,837</u>

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

	2017 No.	2016 No.
Administrative and consultants	<u>58</u>	<u>50</u>

**9. Directors' remuneration**

	2017 £	2016 £
Directors' emoluments	1,155,157	1,005,396
	<u>1,155,157</u>	<u>1,005,396</u>

During the year retirement benefits were accruing to 5 directors (2016 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £192,101 (2016 - £214,598).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £65,897 (2016 - £5,032).

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**10. Taxation**

	2017 £	2016 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (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	<u>(1,114,878)</u>	<u>(1,555,070)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(222,976)	(311,014)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	(3,000)	72,000
Expenses not deductible for tax purposes	5,367	37,554
Capital allowances for year in excess of depreciation	119	(691)
Unrelieved tax losses carried forward	220,490	202,151
Share based payment transactions	-	-
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The Company has unrelieved tax losses of approximately £3,800,000 (2016: £2,700,000) that are available for carry forward against future year's trading profits.

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**11. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 May 2016	3,600,000
Impairment charge	(1,800,000)
At 30 April 2017	<u>1,800,000</u>
<b>Amortisation</b>	
At 1 May 2016	390,000
Charge for the year	(15,000)
At 30 April 2017	<u>375,000</u>
<b>Net book value</b>	
At 30 April 2017	<u><u>1,425,000</u></u>
At 30 April 2016	<u><u>3,210,000</u></u>

The goodwill has been impaired to reflect the non-achievement of the earn-out following the purchase of a customer list.

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**12. Tangible fixed assets**

	Computer equipment £
<b>Cost or valuation</b>	
At 1 May 2016	88,095
At 30 April 2017	<u>88,095</u>
<b>Depreciation</b>	
At 1 May 2016	88,095
At 30 April 2017	<u>88,095</u>
<b>Net book value</b>	
At 30 April 2017	<u>-</u>
At 30 April 2016	<u>-</u>

**13. Debtors**

	2017 £	2016 £
Trade debtors	13,116	10,028
Amounts owed by group undertakings	3,931,299	3,888,646
Other debtors	93,244	126,170
Prepayments and accrued income	617,398	418,984
	<u>4,655,057</u>	<u>4,443,828</u>

**14. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	232,769	116,589
	<u>232,769</u>	<u>116,589</u>

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	22,488	67,809
Amounts owed to group undertakings	700,000	-
Taxation and social security	138,619	93,163
Other creditors	14,803	1,817,087
Accruals and deferred income	805,406	545,969
	<u>1,681,316</u>	<u>2,524,028</u>

**16. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	4,718,928	4,401,419
	<u>4,718,928</u>	<u>4,401,419</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(1,498,697)	(2,413,778)
	<u>(1,498,697)</u>	<u>(2,413,778)</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, cash at bank, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, other creditors and accruals.

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Share capital and reserves**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
7,850,001 (2016 - 7,350,001) ordinary shares of £1 each	<u>7,850,001</u>	<u>7,350,001</u>

500,000 ordinary shares of £1 each to an aggregate value of £500,000 were issued during the year to increase the capital base of the Company.

**Profit and loss account**

The profit and loss account represents accumulated profits or losses of the Company.

**18. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £199,089 (2016 - £50,113). Contributions totalling £14,803 (2016 - £17,135) were payable to the fund at the reporting date.

**19. Related party transactions**

The Company has taken advantage of the exemption in FRS102 from the requirement to disclose transactions with group entities on the grounds that the Company is a wholly owned subsidiary and that consolidated financial statements are prepared by the ultimate parent undertaking:

At the period end the company was owed the following amounts from group companies:

EQ Investors (Holdings) Limited - £3,931,299 (2016: £3,888,646)

At the period end the company owed the following amounts to group companies:

Best Investment Limited - £700,000 (2016: £nil)

All of these entities were members of the same group during the period.

The remuneration of key management personnel was £1,266,442 (2016: £1,050,859).



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**EQ INVESTORS LIMITED**

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**20. Controlling party**

The ultimate parent undertaking is EQ Investors Group Limited. EQ Investors Group Limited is registered in England and Wales and consolidated financial statements can be obtained from its registered office at 6th Floor, 60 Gracechurch Street, London EC3V 0HR.

The ultimate controlling party is J D Spiers.