Registered number: 07223330

EQ INVESTORS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

COMPANY INFORMATION

Directors	J Spiers S Callaghan P Trueman A Branfield M Kenner J Boyle M Neumann V Cox M Howlett S Kennedy
Registered number	07223330
Registered office	6th Floor 60 Gracechurch Street London EC3V 0HR
Independent auditor	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2018

Introduction

The Directors present the Strategic Report for the year ended 30 April 2018.

Business review

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 provides planning led investment driven solutions to UK based private clients and institutions ranging from those with portfolios of £1,000 to more than £50m and also advice on benefits to UK businesses.

During the year, the Company has seen further growth with assets under management increasing from £600m to £780m. This has contributed to a 15% increase in turnover from £5.6m to £6.5m. During the latter part of the year the company has strengthened the corporate benefits team to offer a broader range of services to employees, directors and owners of businesses.

The profitability trend has continued to improve as recurring revenue linked to assets under management has increased but further recruitment has deferred the forecast break-even point to the current year. 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 would 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 models 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.

Regulatory

The Company is regulated by the Financial Conduct Authority for the purposes of giving investment advice. The Company takes the obligations of this regulation very seriously and has a designated compliance officer who monitors the performance of the Company using stringent internal processes.

Competition

The Directors consider that the Company can compete effectively in the current environment in its target market. The Company has spent considerable time in positioning itself to give the most effective offering to clients within its chosen space and believe that this, together with a well-managed cost base, will enable competitive pressures to be withstood.

IT Security

The Directors attach high priority to managing the risks posed by IT security breaches, including a review of cybersecurity and General Data Protection Regulation (GDPR) readiness.

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 rigorous 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. Turnover increased by 15% from £5.6m to £6.5m and profit before amortisation of goodwill improved from a loss of £1,130k to a loss of £453k.

Although there are continuing losses, this is considered to be a satisfactory result as these have reduced significantly and the Company is still considered to be in line with the forecast of a break-even result for the year ended 30 April 2019. This is driven largely by the increase in turnover which is again forecast to rise in the coming year which, allied to a control of costs will result in a direct impact on bottom line results.

Other key performance indicators

Other key performance indicators are considered to be assets under management and proportion of assets under fee based discretionary management. These are discussed in the business review section of this report.

This report was approved by the Board on and signed on its behalf.

J D Spiers
Director

Date: 31/04/2018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2018

The Directors present their report and the financial statements for the year ended 30 April 2018.

Principal activity

The principal activity of the Company continued to be that of wealth management consultancy.

Directors

The Directors who served during the year were:

J Spiers
S Callaghan
P Trueman
A Branfield
M Kenner
J Boyle
M Neumann
V Cox (appointed 1 March 2018)
M Howlett (appointed 24 October 2017)
S Kennedy (appointed 24 October 2017)

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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2018

Results and dividends

The loss for the year, after taxation, amounted to £633,802 (2017 - loss £1,114,878).

No dividends were paid or proposed in respect of the period (2017 - £Nil).

Future developments

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 and signed on its behalf.

J Spiers
Director

Date: 31/07/2018.

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

Opinion

We have audited the financial statements of EQ Investors Limited (the 'Company') for the year ended 30 April 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2018 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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 the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

MHA MacIntyre Hudson

Rakesh Shaunak (FCA) (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 01-08-18

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2018

	Note	2018 £	2017 £
Turnover	4	**6,506,028**	5,654,027
Cost of sales		**(752,734)**	(708,387)
Gross profit		**5,753,294**	4,945,640
Administrative expenses		**(6,177,416)**	(6,075,518)
Amortisation of goodwill		**(180,000)**	15,000
Operating loss	5	**(604,122)**	(1,114,878)
Tax on loss		**(29,680)**	-
Loss for the financial year		**(633,802)**	(1,114,878)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

BALANCE SHEET
AS AT 30 APRIL 2018

	Note		2018 £		2017 £
Fixed assets					
Intangible assets	11		**1,245,000**		1,425,000
Tangible assets	12		**362,220**		-
			1,607,220		1,425,000
Current assets					
Debtors: amounts falling due within one year	13	**3,322,790**		4,655,057	
Cash at bank and in hand	14	**65,166**		232,769	
		3,387,956		4,887,826	
Creditors: amounts falling due within one year	15	**(997,468)**		(1,681,316)	
Net current assets			**2,390,488**		3,206,510
Net assets			**3,997,708**		4,631,510
Capital and reserves					
Called up share capital	17		**7,850,001**		7,850,001
Profit and loss account	18		**(3,852,293)**		(3,218,491)
			3,997,708		4,631,510

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

01-08-18

J Spiers
Director

The notes on pages 12 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2016	**7,350,001**	**(2,103,613)**	**5,246,388**
Loss for the year	-	(1,114,878)	(1,114,878)
Shares issued during the year	500,000	-	500,000
At 1 May 2017	**7,850,001**	**(3,218,491)**	**4,631,510**
Loss for the year	-	(633,802)	(633,802)
At 30 April 2018	**7,850,001**	**(3,852,293)**	**3,997,708**

The notes on pages 12 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

1. General information

The Company is a private company limited by shares and is incorporated in England and Wales. The registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR and is the Company's principal place of business is Centennium House, 100 Lower Thames Street, London, EC3R 6DL.

The financial statements are presented in pound sterling which is the functional currency of the Company and are rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statement are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of EQ Investors Group Limited as at 30 April 2018 and these financial statements may be obtained from Companies House.

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 the year end, is disclosed in the accounts and recognised under accrued income.

Turnover 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. Turnover 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

Turnover 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.

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.

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:

Fixtures and fittings	-	
Computer equipment	-	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 Statement of Comprehensive Income.

2.6 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.

2.7 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.

2.8 Financial instruments

The Company only enters into basic financial instrument 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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

financed at a rate of interest that is not a market rate or in the 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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 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.

2.10 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.

2.11 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.12 Taxation

Tax is recognised in the 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 operates and generates income.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

The Company makes estimates and assunptions concerning future performance. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are set out below:

3.1 Going Concern

The Company has incurred losses since inception. The Directors judgement that the financial statements should be prepared on a going concern basis is dependent on continued financial support within the Group to which it belongs.

4. Turnover

	2018 £	2017 £
United Kingdom	**6,506,028**	5,654,027
	6,506,028	5,654,027

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	**55,200**	-
Amortisation of intangible assets, including goodwill	**180,000**	(15,000)
Other operating lease rentals	**285,958**	289,397
Defined contribution pension cost	**195,868**	199,089

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**12,000**	11,500
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	**1,000**	750
	1,000	750

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	**3,907,049**	3,642,641
Social security costs	**458,039**	388,264
Cost of defined contribution scheme	**195,868**	199,089
	4,560,956	4,229,994

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

	2018 No.	2017 No.
Administrative and consultants	**57**	58

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	**1,182,564**	997,899
Company contributions to defined contribution pension schemes	**60,826**	157,258
	1,243,390	1,155,157

During the year retirement benefits were accruing to 5 Directors (2017 - 5) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £281,017 (2017 - £192,101).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2017 - £65,897).

9. Taxation

	2018 £	2017 £
Corporation tax		
Adjustments in respect of previous periods	**29,680**	-
	29,680	-
Total current tax	**29,680**	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19%% (2017 - 20%) as set out below:

	2018 £	2017 £
Loss on ordinary activities before tax	**(604,122)**	(1,114,878)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	**(114,783)**	(222,976)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**32,400**	(3,000)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**5,821**	5,367
Capital allowances for year in excess of depreciation	**-**	119
Unrelieved tax losses carried forward	**106,242**	220,490
Total tax charge for the year	**29,680**	-

Factors that may affect future tax charges

The Company has unrelived tax losses of approximately £3,900,000 (2017: £3,800,000) that are available for carry forward against future year's trading profits.

A reduction in the UK corporation tax rate from 19% to 17% was substantively enacted in March 2016 and will take effect from 1 April 2020.

10. Exceptional items

	2018 £	2017 £
Amortisation of goodwill	**180,000**	(15,000)
	180,000	(15,000)

11. *Intangible assets*

	Goodwill £
Cost	
At 1 May 2017	**1,800,000**
At 30 April 2018	**1,800,000**
Amortisation	
At 1 May 2017	**375,000**
Charge for the year	**180,000**
At 30 April 2018	**555,000**
Net book value	
At 30 April 2018	**1,245,000**
At 30 April 2017	1,425,000

12. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 May 2017	-	88,095	88,095
Additions	417,420	-	417,420
At 30 April 2018	417,420	88,095	505,515
Depreciation			
At 1 May 2017	-	88,095	88,095
Charge for the year on owned assets	55,200	-	55,200
At 30 April 2018	55,200	88,095	143,295
Net book value			
At 30 April 2018	362,220	-	362,220
At 30 April 2017	-	-	-

During the year, fixed assets with a net book value of £417,420 were transferred to the Company from EQ Investor Holdings Limited, a fellow fully owed subsidiary of the Group.

13. Debtors

	2018 £	2017 £
Trade debtors	84,508	13,116
Amounts owed by group undertakings	2,451,876	3,931,299
Other debtors	61,843	93,244
Prepayments and accrued income	724,563	617,398
	3,322,790	4,655,057

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	**65,166**	232,769
	65,166	232,769

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	**31,895**	22,488
Amounts owed to group undertakings	**3,572**	700,000
Other taxation and social security	**206,110**	138,619
Other creditors	**26,113**	14,803
Accruals and deferred income	**729,778**	805,406
	997,468	1,681,316

16. *Financial instruments*

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**3,214,893**	4,689,248
	3,214,893	4,689,248
Financial liabilities		
Financial liabilities measured at amortised cost	**(721,375)**	(1,483,894)
	(721,375)	(1,483,894)

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

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

17. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
7,850,001 Ordinary shares of £1 each	**7,850,001**	7,850,001

18. Reserves

Profit and loss account

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

19. 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 £195,868 (2017 - £199,089). Contributions totalling £17,113 (2017 - £14,803) were payable to the fund at the reporting date.

20. Commitments under operating leases

At 30 April 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	**342,304**	342,304
Later than 1 year and not later than 5 years	**1,362,251**	1,359,332
Later than 5 years	**548,085**	761,229
	2,252,640	2,462,865

21. Related party transactions

The Company has taken advantage of the exemption in Section 33.1A in FRS 102 from the requirement to disclose transactions entered into between 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 - £Nil (2017 - £3,931,299).
Best Investments Limited £2,451,876 (2017 - £Nil)

At the period end the Company owed the following amounts to group companies:
EQ Investors (Holdings) Limited - £3,572 (2017 - £Nil)
Best Investments Limited - £Nil (2017 - £700,000)

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

The remuneration of key management personnel was £1,325,502 (2017 - £1,266,442).

22. 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 Companies House.

The ultimate controlling party is J D Spiers.