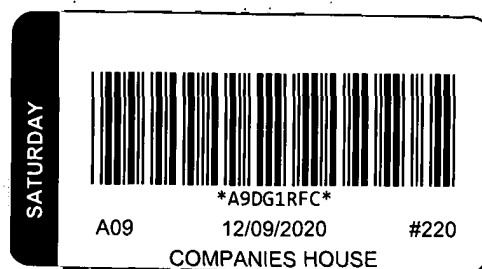


Registered number: 05192078

EQ INVESTORS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020



EQ INVESTORS GROUP LIMITED

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EQ INVESTORS GROUP LIMITED

COMPANY INFORMATION

Directors	J Spiers P Trueman
Company secretary	J D Spiers
Registered number	05192078
Registered office	6th Floor 60 Gracechurch Street London EC3V 0HR
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 2 London Wall Place London EC2Y 5AU

EQ INVESTORS GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2020

Introduction

The Directors present the Strategic Report for the year ended 30 April 2020.

Business review

EQ Investors Group Limited is the ultimate holding company for EQ Investors Limited, the active trading subsidiary of the Group.

Based in the City of London, EQ is an award winning wealth management firm that provides planning led, investment driven solutions to private clients and investment management services to institutions and IFAs. It has a particularly strong proposition for investors seeking sustainable investment portfolios via its Positive Impact and the recently launched Future Leaders portfolios.

During the year, the Company has seen further growth with assets under management increasing from £870m to £950m and turnover from £7.4m to £8.2m despite the adverse impacts of the Covid-19 crisis in the final two months of the year which led to a steep fall in market values. For the first time under current ownership the company recorded a profit prior to the amortisation of goodwill.

The current year has started strongly despite the Covid related restrictions and subject to markets remaining stable the directors anticipate further growth.

EQ INVESTORS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

Principal risks and uncertainties

The Board has identified a number of business, reputational and operational risks that are pertinent to the Group'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 Group at any time. The Group has a Risk Committee who regularly review risks and policies to mitigate these. The Group 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.

COVID-19

In common with all businesses in the UK, the Group has been impacted by the government's response to the COVID-19 pandemic. The Directors have taken steps to minimise the impact on the Group in line with the government's advice and recommendations. While the uncertainty surrounding the duration of the pandemic suggests that the Group is unlikely to be completely unaffected, the Directors consider that it is well placed, particularly in cash terms, to ensure that there are no long term structural consequences on its business.

Market Risk

Most of the Group's revenues are linked to the value of clients' investments so a significant fall in markets would impact the Group'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 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.

Regulatory

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

Competition

The Directors consider that the Group can compete effectively in the current environment in its target market. The Group 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.

EQ INVESTORS GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020**

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 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 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 11% from £7.4m to £8.2m and profit before amortisation of goodwill improved from a loss of £49k to a profit of £220k.

The profitability trend continues to improve. The Group is on target to make a profit before amortisation of goodwill during the current year. This is driven by the increase in turnover as a result of increased assets under management which, allied to a control of costs has 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 and signed on its behalf.

J Spiers
Director



Date: 30/7/20

EQ INVESTORS GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2020**

The Directors present their report and the financial statements for the year ended 30 April 2020.

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 active subsidiaries was wealth management services.

Results and dividends

The loss for the year, after taxation, amounted to £1,071,908 (2019 - loss £1,340,470).

No dividends were paid or proposed in respect of the year (2019 - £Nil).

Directors

The Directors who served during the year were:

J Spiers
P Trueman

Future developments

In accordance with section 414c (ii) of the Companies Act 2006 the Directors have chosen to include the following items in the Strategic Report:

- Strategy of the Company
- Risks and performance
- Future developments

EQ INVESTORS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020**

Directors' responsibilities statement

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

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

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

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

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

Disclosure of information to auditor

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

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

Post balance sheet events

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

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


J Spiers
Director

Date: 30/17/20

EQ INVESTORS GROUP LIMITED

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

Opinion

We have audited the financial statements of EQ Investors Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2020, which comprise the Group Profit and Loss Account, 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, 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 Group's and of the parent Company's affairs as at 30 April 2020 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.

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 Group 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 Group's or the parent 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

EQ INVESTORS GROUP LIMITED

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

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 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 5, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQ INVESTORS GROUP 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.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Rakesh Shaunak FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

2 London Wall Place
London
EC2Y 5AU

Date: 20 August 2020

EQ INVESTORS GROUP LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2020**

	Note	2020 £	2019 £
Turnover	4	8,217,366	7,413,769
Cost of sales		(1,200,113)	(1,002,158)
Gross profit		7,017,253	6,411,611
Administrative expenses		(6,797,749)	(6,460,669)
Exceptional administrative expenses		(1,291,412)	(1,291,412)
Operating loss	5	(1,071,908)	(1,340,470)
Loss for the financial year		(1,071,908)	(1,340,470)
Loss for the year attributable to:			
Owners of the parent		(1,071,908)	(1,340,470)
		(1,071,908)	(1,340,470)

The notes on pages 15 to 29 form part of these financial statements.

EQ INVESTORS GROUP LIMITED
REGISTERED NUMBER: 05192078

CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	5,703,736	6,995,148
Tangible assets	11	251,820	307,020
		<u>5,955,556</u>	<u>7,302,168</u>
Current assets			
Debtors: amounts falling due after more than one year	13	202,994	202,994
Debtors: amounts falling due within one year	13	1,021,625	995,946
Cash at bank and in hand	14	2,028,746	523,383
		<u>3,253,365</u>	<u>1,722,323</u>
Creditors: amounts falling due within one year	15	(2,147,085)	(1,044,227)
Net current assets		<u>1,106,280</u>	<u>678,096</u>
Net assets		<u>7,061,836</u>	<u>7,980,264</u>
Capital and reserves			
Called up share capital	16	16,299,812	16,176,124
Share premium account	17	34,409	4,617
Profit and loss account	17	(9,272,385)	(8,200,477)
		<u>7,061,836</u>	<u>7,980,264</u>

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


J Spiers
Director

Date:

30/7/20

The notes on pages 15 to 29 form part of these financial statements.

EQ INVESTORS GROUP LIMITED
REGISTERED NUMBER: 05192078

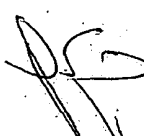
COMPANY BALANCE SHEET
AS AT 30 APRIL 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	12	15,500,000	15,500,000
		<u>15,500,000</u>	<u>15,500,000</u>
Current assets			
Debtors: amounts falling due within one year	13	549,316	494,792
Cash at bank and in hand	14	1,244,896	152,462
		<u>1,794,212</u>	<u>647,254</u>
Creditors: amounts falling due within one year	15	(1,006,480)	(7,919)
Net current assets		<u>787,732</u>	<u>639,335</u>
Net assets		<u><u>16,287,732</u></u>	<u><u>16,139,335</u></u>
Capital and reserves			
Called up share capital	16	16,299,812	16,176,124
Share premium account	17	34,409	4,617
Profit and loss account	17	(46,489)	(41,406)
		<u>16,287,732</u>	<u>16,139,335</u>

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

J Spiers
Director

Date:


30/7/20

The notes on pages 15 to 29 form part of these financial statements.

EQ INVESTORS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 May 2018	15,700,000	-	(6,860,007)	8,839,993	8,839,993
Comprehensive income for the year					
Loss for the year	-	-	(1,340,470)	(1,340,470)	(1,340,470)
Shares issued during the year	476,124	4,617	-	480,741	480,741
At 1 May 2019	16,176,124	4,617	(8,200,477)	7,980,264	7,980,264
Comprehensive income for the year					
Loss for the year	-	-	(1,071,908)	(1,071,908)	(1,071,908)
Shares issued during the year	123,688	29,792	-	153,480	153,480
Total transactions with owners	123,688	29,792	-	153,480	153,480
At 30 April 2020	16,299,812	34,409	(9,272,385)	7,061,836	7,061,836

The notes on pages 15 to 29 form part of these financial statements.

EQ INVESTORS GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2018	15,700,000	-	(33,393)	15,666,607
Loss for the year	-	-	(8,013)	(8,013)
Shares issued during the year	476,124	4,617	-	480,741
At 1 May 2019	16,176,124	4,617	(41,406)	16,139,335
Comprehensive income for the year				
Loss for the year	-	-	(5,083)	(5,083)
Contributions by and distributions to owners				
Shares issued during the year	123,688	29,792	-	153,480
At 30 April 2020	16,299,812	34,409	(46,489)	16,287,732

The notes on pages 15 to 29 form part of these financial statements.

EQ INVESTORS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2020**

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(1,071,908)	(1,340,470)
Adjustments for:		
Amortisation of intangible assets	1,291,412	1,291,412
Depreciation of tangible assets	55,200	55,200
(Increase) in debtors	(25,679)	(125,035)
Increase in creditors	1,102,858	40,371
Net cash generated from operating activities	<u>1,351,883</u>	<u>(78,522)</u>
Cash flows from financing activities		
Issue of ordinary shares	153,480	480,741
Net cash used in financing activities	<u>153,480</u>	<u>480,741</u>
Net increase in cash and cash equivalents	1,505,363	402,219
Cash and cash equivalents at beginning of year	523,383	121,164
Cash and cash equivalents at the end of year	<u>2,028,746</u>	<u>523,383</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,028,746	523,383
	<u>2,028,746</u>	<u>523,383</u>

The notes on pages 15 to 29 form part of these financial statements.

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

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.

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

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

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

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 following principal accounting policies have been applied:

2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.3 Going concern

In common with all businesses in the UK, the Group has been impacted by the government's response to the COVID-19 pandemic. The Directors have taken steps to minimise the impact on the Group in line with the government's advice and recommendations.

The steps taken include:

- the introduction of homeworking wherever possible while maintaining a skeleton staff at the Group's premises but only where compliant with government guidelines;
- revising budgets and forecasts to consider the impact of COVID-19 on the business, and, in particular, the cash needs of the business in the short and medium term.

While the uncertainty surrounding the duration of the pandemic suggests that the Group is unlikely to be completely unaffected, the Directors consider that it is well placed, particularly in cash terms, to ensure that there are no long term structural consequences on its business.

2.4 Revenue

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

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

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

Rendering of services

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight line basis over the lease term.

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated 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.

2.7 Intangible assets

Goodwill

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

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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	- 10% straight line
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 Consolidated Profit and Loss Account.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated 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.

2.10 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.

2.11 Cash and cash equivalents

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

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

2.12 Creditors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

2. Accounting policies (continued)

2.13 Financial instruments

The Group 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 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 Consolidated 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.

EQ INVESTORS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

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

The Company makes estimates and assumptions 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. The accounting policies and Strategic Report give further details with respect to the Company's response to the COVID-19 pandemic.

3.2 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.

4. Turnover

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

	2020 £	2019 £
Wealth management	8,217,366	7,413,769
	<u>8,217,366</u>	<u>7,413,769</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	8,217,366	7,413,769
	<u>8,217,366</u>	<u>7,413,769</u>

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	55,200	55,200
Amortisation of intangible fixed assets	1,291,412	1,291,412
Other operating lease rentals	271,261	279,524
Defined contribution pension cost	369,261	267,413
	<u>2,095,134</u>	<u>2,903,549</u>

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	22,450	22,000
	<u>22,450</u>	<u>22,000</u>

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

The auditing of accounts of the Group pursuant to legislation	18,850	18,500
Taxation compliance services	3,600	3,500
	<u>22,450</u>	<u>22,000</u>

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

7. Employees

Group staff costs, including Directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	4,166,309	4,125,170
Social security costs	488,613	473,658
Cost of defined contribution scheme	369,261	267,413
	<u>5,024,183</u>	<u>4,866,241</u>

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

	2020 No.	2019 No.
Consultants and administrative staff	<u>62</u>	<u>60</u>

The Company has no employees other than the Directors, who did not receive any remuneration (2019 - £NIL)

8. Directors' Remuneration

	2020 £	2019 £
Directors' emoluments	-	-
Total Directors' emoluments	<u>-</u>	<u>-</u>

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

9. Taxation

	2020 £	2019 £
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(1,071,908)</u>	<u>(1,340,470)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(203,663)	(254,689)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	245,368	245,368
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,581	8,737
Unutilised losses carried forward and capital allowances for year in excess of depreciation	-	584
Adjustments to tax charge in respect of prior periods	-	-
Utilisation of tax losses brought forward	(49,286)	-
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The Group has tax losses of approximately £3,900,000 (2019 - £4,100,000) available for use against future trading profits.

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

10. Intangible assets**Group and Company**

	Goodwill £
Cost	
At 1 May 2019	11,114,120
At 30 April 2020	<u>11,114,120</u>
Amortisation	
At 1 May 2019	4,118,972
Charge for the year on owned assets	1,291,412
At 30 April 2020	<u>5,410,384</u>
Net book value	
At 30 April 2020	<u>5,703,736</u>
At 30 April 2019	<u>6,995,148</u>

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

11. Tangible fixed assets**Group**

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 May 2019	417,420	88,095	505,515
Disposals	-	(88,095)	(88,095)
At 30 April 2020	417,420	-	417,420
Depreciation			
At 1 May 2019	110,400	88,095	198,495
Charge for the year on owned assets	55,200	-	55,200
Disposals	-	(88,095)	(88,095)
At 30 April 2020	165,600	-	165,600
Net book value			
At 30 April 2020	251,820	-	251,820
At 30 April 2019	307,020	-	307,020

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

12. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2019	15,500,000
At 30 April 2020	<u>15,500,000</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
EQ Investors Limited	Ordinary	100%
Best Investment Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 30 April 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
EQ Investors Limited	3,830,111	47,558
Best Investment Limited	11,828,050	(2,956)

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

13. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Other debtors	202,994	202,994	-	-
	<u>202,994</u>	<u>202,994</u>	<u>-</u>	<u>-</u>

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	24,999	80,574	-	-
Amounts owed by group undertakings	-	-	422,846	422,846
Other debtors	191,364	140,407	126,470	71,946
Prepayments and accrued income	805,262	774,965	-	-
	<u>1,021,625</u>	<u>995,946</u>	<u>549,316</u>	<u>494,792</u>

14. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	2,028,746	523,383	1,244,896	152,462
	<u>2,028,746</u>	<u>523,383</u>	<u>1,244,896</u>	<u>152,462</u>

15. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	6,871	15,432	-	-
Other taxation and social security	272,529	233,378	-	-
Other creditors	1,024,068	44,543	1,000,000	-
Accruals and deferred income	843,617	750,874	6,480	7,919
	<u>2,147,085</u>	<u>1,044,227</u>	<u>1,006,480</u>	<u>7,919</u>

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

16. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2,099,812 (2019 - 1,976,124) Ordinary shares shares of £1.00 each	2,099,812	1,976,124
14,200,000 (2019 - 14,200,000) Preference shares shares of £1.00 each	14,200,000	14,200,000
	<u>16,299,812</u>	<u>16,176,124</u>

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

17. Reserves**Share premium account**

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

Profit and loss account

This represents the accumulated profits or losses of the Group.

18. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £369,261 (2019 - £267,413). Contributions totalling £24,088 (2019 - £24,188) were payable to the fund at the balance sheet date and are included in creditors.

19. Commitments under operating leases

At 30 April 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	338,324	342,304
Later than 1 year and not later than 5 years	1,224,733	1,362,251
Later than 5 years	-	209,761
	<u>1,563,057</u>	<u>1,914,316</u>

EQ INVESTORS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

20. Related party transactions

At the year end the Company was owed the following amounts by subsidiary companies:

Best Investment Limited	£172,846 (2019 - £172,846)
EQ Investors Limited	£250,000 (2019 - £250,000).

The remuneration of key management personnel for the Group was £1,490,465 (2019 - £1,550,239).

There is an amount of £1,000,000 owed to J Spiers, a director.

21. Controlling party

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