Company Registration Number: 02090838

Chase de Vere Independent Financial Advisers Limited

Annual Report and Financial Statements

For The Year Ended

31 December 2019

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OFFICERS AND PROFESSIONAL ADVISERS

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The Directors present their Strategic report on Chase de Vere Independent Financial Advisers Limited ("the Company") for the year ended 31 December 2019.

OUR VISION

The Company's vision is to be recognised as the national Independent Financial Advisory firm of choice. In order to achieve this aim, the Company provides trusted and consistent high quality financial advice and services to both individual and corporate clients who value the benefits of financial advice provided by our qualified professional advisers.

Our aim is to develop a Business that:

- offers high quality advice and tailored solutions to meet client's needs and expectations;
- puts the interests of the client at the centre of any decision making process; and
- delivers a holistic whole of market financial advice.

Adopting these principles will create value for the shareholder through a combination of organic growth and effective cost management.

REVIEW OF THE YEAR

The business uses a number of financial performance measures to manage its overall progress throughout the year. The financial key performance indicators (KPIs) which were used in the year under review include amongst others:

Key Performance Indicators	**2019**	**2018**
Gross advice revenue (£'000)	68,762	66,575
Gross margin (%)	46	45

As well as KPI's relating to financial performance, the Company invest heavily in ensuring the highest degree of client satisfaction. The Company actively asks our clients what they want from us by sending out monthly surveys to ask for their feedback about our service. The Company operates a cross-discipline committee which reviews our overall service performance and promotes improvements to our client service. A key metric in this regard is the Net Promoter Score (NPS). This is a client loyalty metric used by leading companies worldwide. It is calculated based on responses to a single question: "How likely is it that you would recommend Chase de Vere to a friend or colleague?". Based on 3,985 individual client feedback surveys, we achieved a Net Promoter Score (NPS) of 57.8 in the 12-month period from January 2019 to December 2019 (2018: 50.8).

The financial services sector continues to face challenges driven by underlying trends that define the shape of the industry. These include:

- regulatory compliance;
- digital transformation;
- changing legislation in the personal and group pension domain;
- cybercrime and fraud;
- client retention, acquisition and management; and
- Brexit.

REVIEW OF THE YEAR (continued)

Against this background the Company reported profit before taxation of £12.03m which compares with a profit before tax of £10.03m in the previous year. Profit has increased due to improved revenues and the first full year effect of the acquisition of the business of Oakfield Wealth Management Limited and a review of accrued income under IFRS 15.

A dividend will be declared by the Board and will be paid in June 2020 to the parent company. At this stage the amount has not yet been ratified.

2019 saw further development in revenue. This was achieved through a combination of increased revenue associated with key affinity partnerships, a general increase in global market performance and increased revenue from the Select Portfolio Management Service business.

On 18th October 2019 the Company acquired the entire share capital of the financial planning business, Ferguson Oliver Limited, an IFA that focuses on providing independent financial advice to high net worth individuals. This acquisition has increased the Company Assets under Advice by £180m. There are strong synergies between the two businesses which will enhance the provision of independent financial planning to both existing and new clients.

As part of its commitment to remaining independent and providing the best advice to clients, the Company actively supports its advisers to increase their knowledge and expertise through professional qualifications and continuous development. The Company currently has 45 advisers of Chartered status or above which equates to 20% (2018: 20%). The Company will continue to strive to increase this number.

2018 saw the Company introduce the Select Portfolio Management Service, a discretionary model portfolio service that runs a suite of investment portfolios on behalf of clients. Each portfolio is managed in line with a risk profile and specified investment objectives. This has been supported by the development of an investment team who continually review and analyse asset allocation and investment funds, to ensure that each portfolio remains appropriate and that clients are getting the best possible returns for their risk levels. This is a value added service, which enhances the Company's client proposition and complements their existing advisory investment service. Over the year the fund value was increased to £669m.

The Company also launched Chase de Vere Medical in 2018. This is a specialist service which is focused on providing independent financial advice to the medical profession. Chase de Vere has huge experience in providing financial advice to medical practitioners, having worked in partnership with the British Medical Association (BMA) since 2005 and given advice to 12,000 BMA members. The Company have also formed new partnerships with the Faculty of Medical Leadership and Management (FMLM) and the Royal College of Surgeons of England, as well as setting up Chase de Vere Dental and establishing a partnership with Denplan.

In 2019, the Company continued to be active in specific areas of pension liability management. Whilst there remains a strong appetite for companies to manage their future pension liabilities, the uncertainty over Brexit has resulted in many delaying their decision making process in this respect.

The Company has continued to engage with its clients in respect of its client propositions to ensure it adds value and remains competitive. The service proposition for its corporate clients has continued to be developed with the aim of providing enhanced advice and support. This continues to be well received.

In 2019 the Senior Managers and Certification Regime replaced the Approved Persons Regime, changing how people working in financial services are regulated, with the aim to reduce harm to customers and strengthen market integrity by making individuals more accountable for their conduct and competence. The Company suitably transitioned into the new regime and implemented appropriate procudures to ensure ongoing compliance.

The Company is continuing to benefit from robust systems and controls which enables it to effectively manage its exposure to redress settlements.

REVIEW OF THE YEAR *(continued)*

The Company has recognised that its systems must continue to meet the demands of its clients and as such the Company is continuing to update its back office systems to ensure that they are able to deliver the functionality required to support the Company both now and in the future. The Company has committed £3.2m over 5 years to improve its client offering and drive efficiencies through an enhanced operating platform.

We are fully compliant with our obligations under the Modern Slavery Act 2015 and our statement can be found on our website at https://chasedevere.co.uk/modern-slavery-statement/

We also continue to report on gender pay in line with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and update on progress on our website at https://chasedevere.co.uk/gender-pay-gap-report/

2018 saw the introduction of the EU driven General Data Protection Regulation (GDPR). A Company wide project was implemented to ensure all processes became compliant.

As a result of changes in tax legislation, the Company has reviewed its policy relating to the recognition of the Deferred Taxation Asset and still considers it appropriate to provide in full for its recovery. From 1 April 2017 the amount of profit that can be offset with carried forward losses has been restricted to 50%. The restriction only applies to profits in excess of £5.0m (see notes 8 and 10).

UK withdrawal from the EU

The Company continues to consider the potential impact of Brexit. The UK formally left the EU on 31 January 2020. While the UK has agreed the terms of its EU departure, both sides still need to decide what their future relationship will look like. This will need to be worked out during the transition period (which some prefer to call the implementation period), which began immediately after Brexit day and is due to end on 31 December 2020. During this 11-month period, the UK will continue to follow all of the EU's rules and its trading relationship will remain the same.

The UK policy objectives can be categorised as either 'defensive' or 'offensive' - illustrated by the Institute for Government as follows:

The shape of any deal resulting from negotiations will take the form of one of the following:

Stay in the Single Market but leave the Customs Union	Leave the Single Market but negotiate a customs union	Leave the Single Market and Customs Union, but negotiate a bilateral trade agreement	Leave the Single Market and Customs Union with no deal

Leaving the EU will have significant implications for the financial services sector, a sector critical to the UK economy representing circa 7% GDP. The degree of inter-linkage between the City and EU economies is substantial, economically speaking, and intricate in terms of the legislative interface.

The UK financial sector regulator, the Financial Conduct Authority, habitually adopts most EU legislation with variation according to domestic policy as its own, and in the main we expect the UK regulatory position and approach of 'equivalence' to continue as usual.

Chase de Vere holds under ongoing consideration distribution of its primary commodity; private client advice, how this might be impacted, and how market reaction to Brexit might affect UK consumer confidence. Nationally, the impact on the City as a major European financial centre and clearing location is unlikely to directly affect Chase de Vere. Fund management houses and product manufacturers will rely on cross-border trading as now, and the FCA has published details of its interim passporting/equivalence position ("Temporary permissions regime for inbound firms and funds").

REVIEW OF THE YEAR (*continued)*

UK withdrawal from the EU (*continued)*

Chase de Vere clients will continue to seek independent, impartial and professional financial advice. We have significant and longstanding assets under influence or management and this is unlikely to change. Depending on market and consumer confidence, the value of assets under influence might reduce with market movements systemically but we do not anticipate a wholesale run on existing investment assets. It therefore considers, as before, that projections based on pre-Brexit assumptions will hold good.

Chase de Vere remains of the view that it is well placed to withstand the impacts Brexit will present, both near and long term. The process of withdrawal will remain a point of focus for the Executive Board of the Company and its parent for the coming years.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Company are the level of customer complaints, litigation, and compensation costs in respect of past business, although these have fallen significantly in recent years, and the retention of key financial advisers and staff.

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and to maintain an efficient capital structure to ensure an optimal cost of capital. The amount of capital currently held far exceeds the regulatory requirement.

Customer complaints and compensation costs

With regards to customer complaints and the risk associated with the provision of advice, the Company seeks to manage these risks with appropriate systems and controls within the advisory process and maintain risk transfer through the provision of a comparable guarantee arrangement with a fellow subsidiary of the Swiss Life Holding AG for appropriate complaints. In addition, adherence to business standards and the Company's comprehensive 'customer centricity' programme requires that at all times the services delivered to our customers are of the highest standard.

The Company has a small number of litigation cases outstanding. Where appropriate, a provision for any such settlements exists at 31 December 2019.

Provisions are held for estimates of the costs of complaints, which by their nature can be uncertain.

Retention of key financial advisers and staff

The Company has put in place appropriate reward and remuneration packages to enable it to retain those individuals that it considers are key to the success of the organisation. These are structured to ensure they encourage the right behaviours and are reviewed on a regular basis to ensure they remain appropriate and reflect prevailing remuneration rates within the industry.

FUTURE DEVELOPMENTS

The principal activity of the Company is the provision of independent financial advice. In line with the Company's vision, the Directors expect this principal activity to continue in 2020.

The new coronavirus disease, called COVID-19, has appeared and spread extremely quickly, making its way to over 100 countries since its December 2019 discovery in China. The subsequent restrictions on travel and day to day activities have resulted in unprecedented changes to the way the Company operates.

FUTURE DEVELOPMENTS *(continued)*

The Company was able to implement a robust business continuity plan which has been refined and developed to ensure all employees are able to efficiently and effectively work from home. The Company anticipates that the revised working arrangements will be in place for a minimum of eight weeks and so a sustainable and reliable model has been adopted. The use of a wide range of technological solutions has ensured the Company is still able to provide a full range of services to clients.

There have been significant movements in financial markets across the world as a result of the pandemic and the Company is committed to providing full support to clients during the turbulent times. Sound business planning and financial strength ensures the Company is well placed to do this.

The Company have revised their profit and loss and cash flow forecasts for this coming year and beyond, to reflect the impact of COVID-19. The Comapny are satisfied that even in a worst case scenario sufficient capital is in place to meet the day to day needs of the business together with the Capital Adequacy requirements in place

The Directors of the Company have committed to ensuring their objectives remain aligned to those of the FCA. Plans have been developed during the year to ensure that FCA areas of focus are addressed and this work will continue for the foreseeable future to ensure that "client centricity" and delivering the best outcomes for consumers remains at the forefront of any actions taken by the Company.

In addition further investment is planned in developing key affinity partnerships and carefully selected acquisitions of independent financial planning businesses that share the same values, culture and client centric approach to Chase de Vere.

The Directors also remain fully committed to introducing operational efficiencies where appropriate, which in addition to enhancing the service provided to its customers will further increase the embedded value of the business to its shareholder.

Looking forward

The Company are well placed to take advantage of the recent regulatory and legislative changes with the markets in which it conducts business. The embedding of key regulatory changes will continue to ensure appropriate systems and controls are maintained, alongside staff education and training.

RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- credit risk
- capital risk
- economic risk
- foreign exchange risk
- liquidity risk
- operational risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

RISK MANAGEMENT (*continued*)

Credit risk

Credit risk is the risk of financial loss to the Company if a product provider or a client (where a fee for financial advice has been charged) fail to meet their contractual obligations. It is Company policy to assess the credit rating of a product provider for the benefit of the client as part of the advice giving process and as such, the Company would not enter into a contract with a provider who had not beforehand obtained a suitable credit rating.

With regards to fees being charged for financial advice, an assessment is undertaken of the client's ability to pay by virtue of a 'know your client' information before an invoice is raised for the cost of the advice so as to minimise the chances of their inability to pay the fee based on a credit risk issue.

Credit risk also arises from cash and deposits held with banks. For banks used by the Company, only those independently rated with a minimum rating 'A' by Fitch are accepted.

Capital risk

The Company must satisfy certain financial resource tests throughout the year. These tests which are regulatory requirements consider both the net asset base of the Company and its expenditure base. The Board regularly monitor the results of these tests in order to ensure that adequate capital resources are in place to satisfy the test requirements. All tests were satisfied throughout the year.

Economic risk

Whilst an economic downturn would adversely affect revenue performance, as an element of the charging structure relates to client portfolio values, a sustained adverse movement in the stock market will impact negatively on Company revenue. However, in the opinion of the directors, in such economic conditions the need for independent financial advice would be heightened.

Foreign exchange risk

A sustained weakening of the pound against the Swiss franc would impact negatively on the Company profit due to inter group charges, although the overall exposure is not deemed to be significant.

Liquidity risk

Although the financial resource tests mentioned above are designed to avoid a liquidity risk arising, unforeseen risks are still possible. It is the responsibility of the Board to constantly monitor any potential risks and to take the required action to manage and reduce those risks.

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company uses highly liquid assets which comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

Operational risk

The FCA business plan 2019/2020 published in April 2019 analyses how the trend in the wider economic environment and new regulation may translate into 'conduct risks' i.e. the risk that firms' behaviour will result in poor outcomes for customers.

The report assesses risks as medium or long term and includes existing risks identified in previous years, as well as newer emerging risks that the financial services sector needs to consider over the coming years.

RISK MANAGEMENT (*continued*)

Operational risk *(continued)*

The risks landscape is drawn from the following areas:

- environmental drivers such as macro-economic and socio-economic developments, global growth, the impact of changing condition on markets, and changing demographics;
- social and environmental;
- technological; and
- firm and market drivers.

The 2019/20 business plan sets out a number of areas of focus that will be undertaken by the FCA to address the underlying drivers of risk some of which are detailed below:

- EU withdrawal;
- firms' culture and governance;
- operational resilience;
- financial crime and anti-money laundering;
- Open Finance;
- algorithmic decision making;
- technological solutions; and
- Intergenerational differences.

The withdrawal of the UK from the EU is the primary area of concern for both regulators at present, with the focus for the FCA being on ensuring stability across the financial sectors post-Brexit through monitoring change and ensuring that the UK maintains its status as key figure in setting international regulatory standards.

Culture and governance continues to be at the forefront of consideration for the conduct regulator. In December this year the extension of Senior Manager & Certification Regime concluded, with approximately 50,000 additional firms falling into the regime. Additionally, we have seen focus on promoting a "healthy" culture within firms and further work on ensuring that remuneration structures work to drive the right behaviours and fair outcomes for consumers.

There remains an emphasis on operational resilience to ensure firms have appropriate controls to responsibly manage operations outsourced to third-party service providers and that firms have adequate mechanisms for change management (for example when upgrading IT systems). This year there will be more attention on how firms protect against cyber-attacks including the testing of systems using the CBEST intelligence based penetration testing methodology, which was pioneered by the Bank of England and is globally recognised.

In respect of more general financial crime, the FCA will seek to identify the types of fraud affecting different sectors and will continue to raise awareness of concerns in this regard through its ScamSmart initiative. Where Anti-Money Laundering (AML) is of concern, the regulator is motivated to improve detection through the use of intelligence gathering, data analytics and new technologies, using these tools to benchmark firm's internal controls.

There is a great deal of potential in the concept of "Open Finance". The desire to develop this framework and adapt across different sectors is strong enough to warrant the FCA holding a cross-sector event to raise awareness. In doing so they hope to encourage innovation and foster data aggregation across markets.

To help gain and build confidence in the rise of algorithmic decision-making, the FCA seeks to investigate and identify whether such data-driven decision engines are able to promote a compliant and ethical use of data, leading to fair customer outcomes. There is a clear commitment to issue perimeter guidance in respect of the risks associated with cryptoassets and to continue to encourage innovation in the FinTech space. The FCA is also keen to embrace RegTech further, and will move forward with data exchange, technologies to improve AML and financial crime compliance and to drive better outcomes for vulnerable customers.

RISK MANAGEMENT *(continued)*

Operational risk *(continued)*

The FCA's drive to embrace technological solutions is also apparent and the future of regulation has been highlighted as a priority. This includes looking at machine readable and executable versions of the Handbook and to help firms reduce the cost of compliance by utilising technology. Further future-gazing initiatives include annual statements on perimeter issues to help clarify and engage on these matters as well a statement in respect of the Duty of Care Discussion Paper. This discussion paper was issued last year with the aim of helping the FCA discharge its duties more effectively.

Intergenerational differences features in the business plan once again, but this year the regulator will concentrate on broader exercise across sectors looking at generational cohorts and changing needs. The Financial Lives Survey will take place again in 2019 after a two-year gap. This provides the FCA with a wealth of consumer information and helps identify indicators of potential harm. We should also expect to see the publication of more detailed guidance and standards in relation to best practice for the treatment of vulnerable customers.

The Board is fully aware of these risks and is constantly reviewing the operations of the Company to ensure it is able to face the challenges these risks present.

The Board are fully committed to the fair treatment of the Company's clients and recognise the risk to the business through not maintaining the delivery of high quality advice and services to existing clients. The Company has established appropriate systems and controls to ensure the ongoing assessment of its advice and service, which ensure that the Board are regularly appraised on the quality of advice and delivery of agreed services.

The Board are focused on making sure that the business embraces and promotes an effective culture through its governance to ensure the right outcomes for its clients. The Company maintain appropriate practices, systems and structures which provide a framework through which the Board can embed the right culture and drive appropriate behaviours. The Board welcomed the FCA proposal to extend their Senior Management Regime to intermediary firms with an increased focus on personal responsibility.

The Board recognises that innovation and technology represent opportunities to improve the efficiency of the business, and are equally aware of the associated risks. An appropriate framework is in place to ensure that established methodologies are implemented to ensure that all risks associated with change programmes are identified and appropriately managed to reduce the likelihood of negative exposure to the Company's clients.

Section 172 Statement

The Directors of the Company are required to act in accordance with a set of duties as detailed in section 172 ("s172") of the Companies Act 2006 ("the Act"). The Act provides that a Director must act in the way that he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to the matters set out in s172 of the Act. Details of how the Directors had regard to s172 are set out below.

At appointment Directors are briefed on Directors' duties, including s172, with regular reminders throughout the year, particularly when making key or strategic decisions.

The Company is a member of the Swiss Life Group and is ultimately owned by Swiss Life Holding AG registered in the Switzerland (see note 38 to the accounts). There is open and regular engagement with the shareholder principally through representation on the Board by three shareholder representatives, all senior employees of Swiss Life in the UK (noted as non-executive directors in the Directors Report on page 13). A significant amount of Board time is allocated to the consideration of the Company's strategy, both in formal Board meetings and at dedicated 'strategy days'. The Board are provided by the executive team with detailed market and regulatory context to enable an assessment to be made of the risks, challenges and opportunities facing the business and the Groups strategy to be agreed.

RISK MANAGEMENT (*continued*)

Section 172 Statement *(continued)*

Directors assess their training and development needs annually and sessions on relevant topics are arranged accordingly. In September 2019, Directors participated in a session on Senior Managers and Certification Regime. Regular updates are provided by the executive team on business development activities, emerging risks, regulatory developments and specific affinity relationships.

The key strategic decisions of the Board in the year are reflected in its approval of the business plan. The plan covers a three year period and is designed to achieve the Companys principal strategic objective to deliver sustainable growth in business activity. The Board considered in particular changing customer behaviour and needs, the competitive landscape, anticipated regulatory and legislative changes and opportunities to develop new affinity relationships.

The Board receives reports on employee engagement and non-executive Directors are given the opportunity to engage with a wider range of employees than Executive Directors and other members of the executive team. In

January 2019 this included attendance by some non-executive Directors at the Company's annual conference. Culture is a regular Board agenda item and includes reporting on the results of an annual employee survey and review of key people measures including turnover, engagement scores and diversity.

The Board has implemented a suite of policies underpinning the Company's approach and standards in relation to ethics, risk and employee matters. Policies are reviewed at least annually by the relevant governance committee for approval by the Board. A whistle-blowing policy is in place to support individuals in raising concerns about risk, wrongdoing or malpractice witnessed at work. A report on the effectiveness of the whistle-blowing policy.

Customer experience is monitored closely by both the Executive Committee and the Board in terms of both their fair treatment and satisfaction with the Company's services. The Code of Conduct sets out 5 essential principles which provide a framework for employees and contractors acting on the Company's behalf in their relationships with customers, colleagues, business partners and suppliers. The Risk Committee monitors material outsource arrangements and relationships with key suppliers through regular updates from the executive. Oversight of technology projects is provided by the Executive Committee which is chaired by the Chief Executive.

GOING CONCERN

As set out in the Basis of preparation section (note 2) of the notes forming part of the financial statements the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. Consequently, the going concern basis is considered appropriate in preparing the financial statements.

On behalf of the Board

G Chapman
Director
24 April 2020

DIRECTORS' REPORT

The Directors present their annual report, together with the audited financial statements for the year ended 31 December 2019.

Chase de Vere Independent Financial Advisers Limited (registered number 02090838) is a private limited Company incorporated in England and Wales and domiciled in the UK.

The immediate parent undertaking is Chase de Vere IFA Group Plc (registered number 03323436), a Company registered in England and Wales.

The review of the business in the year, financial risk management, discussion of future developments and going concern are discussed in the Strategic report. The Directors maintain open communication channels with employees in order to ensure that the employees are fully aware of the financial and economic factors which affect the performance of the company.

DIRECTORS

The current Board of Directors is shown on page 3. The Directors who served during the year and up to the date of signing of financial statements are as follows:

G Chapman
S Kavanagh

EMPLOYEES

The Company is committed to employment policies, which follow best practice based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining this. The Company encourages the involvement of employees by means of recognition through an employee award scheme and also by way of supporting changes to existing processes identified by employees where there is benefit to the Company as a whole.

DIRECTORS' INDEMNITY

The Directors have the benefit of a qualifying third party indemnity provision (as defined by section 234 of the Companies Act 2006). This provision was in force throughout the financial year and at the date of the approval of the financial statements. The Company and its directors fall under the scope of the Directors' and Officers' liability insurance maintained by Swiss Life Holding AG.

POST STATEMENT OF FINANCIAL POSITION EVENTS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 (2) of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.

G Chapman
Director
24 April 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Chase de Vere Independent Financial Advisers Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the income statement and statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) *require us to report to you when:*

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Reporting on other information *(continued)*

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 14, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Responsibilities for the financial statements and the audit *(continued)*

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to.whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

D Brydon

Daniel Brydon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
24 April 2020

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED
Income statement and statement of comprehensive income
for the year ended 31 December 2019

Income statement
For the year ended 31 December 2019

	Note	2019 £000	2018 £000
Revenue	4	71,272	68,336
Cost of sales		(38,510)	(37,937)
Gross profit		32,762	30,399
Distribution costs		(9,304)	(9,170)
Administrative expenses		(11,346)	(11,229)
Other expenses		(22)	-
Total administrative expenses		(20,672)	(20,399)
Profit before interest and taxation		12,090	10,000
Finance income	7	87	32
Finance expense	8	(146)	-
Profit before income tax		12,031	10,032
Income tax expense	9	(2,260)	(1,948)
Profit for the financial year		9,771	8,084

Statement of comprehensive income
For the year ended 31 December 2019

	2019 £000	2018 £000
Profit for the financial year	9,771	8,084
Total other comprehensive income for the year net of tax	-	-
Total comprehensive income for the year	9,771	8,084

CHASE DE VERE INDEPENDENT FINANCIAL ADVISERS LIMITED

Statement of financial position
for the year ended 31 December 2019

Statement of financial position
As at 31 December 2019
Company Registration Number: 02090838

	Note	2019 £'000	2018 £'000
Non current assets			
Intangible Assets	10	17,484	17,100
Right-of-use assets	12	5,796	-
Lease receivable assets	12	825	-
Deferred tax asset	11	507	695
		24,612	17,795
Current assets			
Trade receivables	13	3,402	4,096
Amounts owed by group undertakings	14	12,237	4,612
Other receivables	15	1,631	561
Prepayments and accrued income	16	6,877	6,164
Cash at bank and in hand		13,134	13,176
		37,281	28,609
Current liabilities			
Trade creditors	17	517	660
Other creditors	18	2,987	3,825
Accruals and deferred income	19	6,304	6,267
Lease Liabilities	12	1,461	-
		11,269	10,752
Net current assets		26,012	17,857
Total assets less current liabilities		50,624	35,652
Non current Liabilities			
Provisions for liabilities	20	147	301
Lease liabilities	12	5,355	-
Net assets		45,122	35,351
Equity			
Called up share capital	21	17,000	17,000
Profit and loss account		28,122	18,351
Total shareholders' equity		45,122	35,351

The notes on page 21 to 46 are an integral part of these financial statements.
The financial statements on pages 18 to 46 were authorised for issue by the Board of Directors on 24 April 2020 and were signed on its behalf.

G Chapman
Director
24 April 2020

Statement of changes in equity

For the year ended 31 December 2019

	Profit and loss account	Called up share capital	Total equity
	£'000	£'000	£'000
Balance as at 1 January 2018	14,867	17,000	31,867
Profit for the financial year and total comprehensive income	8,084	-	8,084
Dividend payment	(4,600)	-	(4,600)
At 31 December 2018	18,351	17,000	35,351

	Profit and loss account	Called up share capital	Total equity
	£'000	£'000	£'000
Balance as at 1 January 2019	18,351	17,000	35,351
Profit for the financial year and total comprehensive income	9,771	-	9,771
At 31 December 2019	28,122	17,000	45,122

1 GENERAL INFORMATION

Chase de Vere Independent Financial Advisers Limited (the Company) provides independent financial advice to private and corporate clients in the UK.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 60 New Broad Street, London, EC2M 1JJ.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Chase de Vere Independent Financial Advisers Limited have been prepared in accordance with Financial Reporting Standard 100, "Application of Financial Reporting Requirements" and Financial Reporting Standard 101, "Reduced Disclosure Framework" except for the departure from the Companies Act explained in note 2.13 Goodwill. The financial statements have been prepared under historical cost convention, in accordance with the Companies Act 2006, as applicable to companies using FRS101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, "Financial Instruments: Disclosures'
- The following paragraphs of IAS 1, 'Presentation of financial statements' :
  - 10(d): statement of cash flows
  - 10(f): a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements).
  - 16: statement of compliance with all IFRS
  - 111: cash flow statement information, and
  - 134-136: capital management disclosures
- IAS 7 'Statement of cash flows'
- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation)
- The requirements in IAS 24 "Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

New and amended standards adopted by the Company

The company has applied the IFRS 16, 'Leases' standard for the first time for its annual reporting period commencing 1 January 2019. In accordance with the transition provisions in IFRS 16 the new rules have been adopted applying the modified retrospective approach. The right-of-use asset is measured at an amount equal to the lease liability and therefore no adjustment to opening reserves has been recognised. Comparatives for the prior financial period have not been restated. See note 23 below for further details on the impact of the change in accounting policy.

2.1.1 Going concern

The Company meets its day-to-day working capital requirements through its cash reserves. The current economic conditions continue to create uncertainty particularly over the level of demand for the Company's services. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectancy that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.1.2 Changes in Accounting policy and disclosures

There are no FRS 101 standards or interpretations that are effective for the first time for the financial year beginning on 1 January 2019 that have had a material impact on the Company.

The company has applied the IFRS 16, 'Leases' standard for the first time for its annual reporting period commencing 1 January 2019.

IFRS 16, 'Leases', addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. It replaces the guidance in IAS 17 Leases.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 1 January 2019. The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at prior end.

Where a lease has been sub-let the associated right-of-use asset has been derecognised and a new lease receivable asset has been recognised either at adoption of IFRS 16 on 1 January 2019 or upon when a contractual obligation to sub-lease the property and receive future rental incomes has been created within the reporting period. The lease receivable asset was measured at the present value of the remaining lease receivable income, discounted using the associated head lease interest rate. Any difference in recognised amount between the right-of-use asset and lease receivable is immediately recognised to the income statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1.2 Changes in Accounting policy and disclosures *(continued)*

In applying IFRS 16 for the first time, the Company has used the following practical expedients;

- Not applied the new guidance to short-term leases (lease contracts less than one year) and leases of which the underlying asset is of low value
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The effect of introducing the new standard is address in note 23.

2.2 Consolidation

The Company is a wholly owned subsidiary of Chase de Vere Independent Financial Advisers Group Plc. It is included in the consolidated financial statements of Chase de Vere Independent Financial Advisers Group Plc which are publically available.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pound Sterling' (£), which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.5 *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Called up share capital

Ordinary shares are classed as equity.

Incremental costs directly attributable to the issue of the new ordinary shares or options are shown in equity as a deduction, net of tax from the proceeds.

2.7 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' equity. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on both trading losses and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which trading losses and the temporary differences can be utilised.

Deferred income tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

2.9 Employee benefits

The Company operates a defined contribution pension plan. The Company does not operate a defined benefit pension plan.

For defined contribution plans, the Company pays contributions to publically or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

The ultimate parent company operates an executive share plan for senior members of the Company. The cost is recognised at the point that the share plan liability is settled. Further details are provided in note 6.

2.10 Provisions

Being a financial services institution, the business has regulatory risks. These are provided for in accordance with IAS 37.

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that it will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at 31 December 2019, and are discounted to present value where the effect is material.

The provision for customer complaints is based on outstanding complaints at 31 December 2019 where management is of the view that a settlement with the client will be made based on a review of the facts and circumstances of the case. The provision represents the cost of any redress to be paid and associated expenses.

The provision for clawback of indemnity commission represents the expected value of indemnity commission that will be reclaimed by product providers in respect of policies cancelled during the indemnity period based on past experience of such claims.

2.11 Revenue recognition

Revenue represents commission and fee income, including commission on indemnity terms, receivable in the period for the provision of financial advice. Financial advice covers primarily investments, pensions, financial education and health care for both individual and corporate clients. Revenue is recognised at the point at which the Company is entitled to receive the commission or fee income after taking into account provisions for the potential cancellation of policies where commissions are received under indemnity terms.

The amount receivable for each transaction is payable on either an initial upfront basis or on an ongoing recurring basis. Apart from a small proportion of the income, the amount receivable is known from the outset and recognised in revenue as the transaction amount. There are no financing or variable elements to the transaction.

For the recurring income where the expected income is not known, an estimate is made at each period end using management's best estimates based on analysis of similar income from previous periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Revenue recognition *(continued)*

Under IFRS 15 the Company recognises an asset relating to work carried out on the initial upfront transactions that have not yet been billed (work in progress) as at 31st December. The Company has a right to receive payment for performance completed to date if the client were to cancel the contract and this right to receive remuneration is recognised under IFRS 15. An estimate has been made as at 31st December as to the value of work in progress based on the level of initial upfront revenue expected within the first quarter of 2020. This will be re-evaluated at each period end.

Revenue represents amounts derived from the provision of financial advice which fall within the Company's ordinary activities after deduction of value added tax. The revenue and profit before taxation, all of which arises in the United Kingdom, is mostly attributable to one activity which is the provision of financial planning advice.

Other income is a one off receipt from a supplier providing compensation to the Company (see note 4).

2.12 Leasing

The leases the Company has entered into are traditional operating leases for the lease of offices, equipment and motor vehicles. IFRS 16 'Leases', adopted 1 January 2019, removes the distinction between operating and finance leases and operating leases are recognised within the statement of financial position. Previously, rentals payable under operating leases were charged to income on a straight-line basis over the term of the relevant lease.

Lease liabilities are recognised in relation to leases. These liabilities are initially measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. They are subsequently measured by;

- Increasing the carrying amount to reflect interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and
- Remeasuring the carrying amount to reflect changes to the fixed lease payments

The associated right-of-use assets are initially measured at the amount equal to the lease liability, adjusted by;

- the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at prior year end for leases recognised upon IFRS 16 adoption on 1 January 2019
- initial direct costs incurred
- estimate of costs to be incurred in restoring the underlying the asset to the condition required by the terms and conditions of the lease

The right-of-use assets are subsequently measured under the cost model by reducing the carrying amount by any accumulated depreciation.

The income statement is therefore charged with the interest costs from the lease liability and the depreciation costs from the right of use asset.

Where a lease has been sub-let the associated right-of-use asset has been derecognised and a new lease receivable asset has been recognised. The lease receivable asset is initially measured at the present value of the remaining lease receivable income, discounted using the associated head lease interest rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Leasing (continued)

Any difference in recognised amount between the right-of-use asset and lease receivable is immediately recognised to the Income Statement.

The lease receivable asset is subsequently measured by
- Increasing the carrying amount to reflect interest on the lease receivable;
- Reducing the carrying amount to reflect the lease payments received

The income statement is now only charged with the interest expense of the lease liability but also credited with the lease receivable interest income.

In applying IFRS 16, the Company has used the following practical expedients
- Not applied the new guidance to short-term leases (lease contracts less than one year) and leases of which the underlying asset is of low value
- For leases that were in existence at the adoption of IFRS 16 on 1 January 2019
  - The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 are short-term leases
  - The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
  - The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

All future cash flows are included within the measurement of the lease liabilities. There are no restrictions or covenants imposed by the leases and none of the leases include a sale and leaseback transaction.

The impact is shown in note 12.

2.13 Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

The company does not amortise goodwill in accordance with the requirements of IFRS as applied under FRS 101. Instead an annual impairment test is performed and any impairment that is identified is recognised in the income statement. The non-amortisation of goodwill conflicts with paragraph 22 of Schedule 1 to 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)', which requires acquired goodwill to be written off over its useful economic life. As such, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations.

It is not possible to quantify the effect of the departure from the Companies Act, because a finite life for the goodwill has not been identified. However, the effect of amortising over a useful life of 20 years would be a charge of £0.86 million (2018: £0.86 million) against operating profit, and a reduction of £0.99 million (2018: £0.99 million) in the carrying value of goodwill in the Statement of Financial Position.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Goodwill (continued)

If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year.

2.14 Financial assets

The Company classifies its financial assets depending on the purpose for which the asset was acquired. The Company's accounting policy is as follows:

(a) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables).

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Trade receivables are reported net and such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(b) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Detailed fair value disclosures are not provided as all financial assets and liabilities are short term in nature and as such fair values are deemed to approximate their carrying values.

(c) Trade payables

Trade payables are initially measured at fair value and subsequently held at amortised cost.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying its accounting policies, the Company is required to make certain estimates, judgements and assumptions that it believes are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the years presented.

On an ongoing basis, the Company evaluates its estimates using methods that it considers reasonable in the particular circumstances. Actual results may differ from the estimates, the effect of which is recognised in the year in which the facts that give rise to the revision become known.

The following details the estimates and judgements the Company believe to have the most significant impact on the annual results:

3 *CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)*

Provisions: Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that it will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date, and are discounted to present value where the effect is material.

The provision for customer complaints is based on outstanding complaints at the Statement of Financial Position date where management is of the view that a settlement with the client will be made based on a review of the facts and circumstances of the case. The provision represents the cost of any redress to be paid and associated expenses.

The provision for regulation and litigation is based on outstanding claims and regulatory matters which are identified through ongoing communication with regulators and legal counsel. The provision represents management's best estimate of the expected settlement with third parties.

The provision for clawback of indemnity commission represents the expected value of indemnity commission that will be reclaimed by Product Providers in respect of policies cancelled during the indemnity period, based on past experience of such claims.

Goodwill: The Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The key assumptions are those regarding the discount rates, growth rates and expected changes to revenues and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect the current market and risks specific to the Group. The growth rates are based on industry growth forecasts. Changes in revenues and direct costs are based on past practices and expectations of future changes in the market (see note 10).

Deferred Tax: Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. An element of judgement is applied in forecasting future profitability and the certainty of that profitability in the medium term in order to meet the requirements of recognition. The Company's short to medium term financial projections indicate that the Company will remain profitable and so a deferred tax asset on trading losses carried forwards is recognised.

Revenue: Revenue represents commission and fee income, including commission on indemnity terms, receivable in the period for the provision of financial advice. Financial advice covers primarily investments, pensions, financial education and health care for both individual and corporate clients. Revenue is recognised at the point at which the Company is entitled to receive the commission or fee income after taking into account provisions for the potential cancellation of policies where commissions are received under indemnity terms.

The amount receivable for each transaction is payable on either an initial upfront basis or on an ongoing recurring basis. Apart from a small proportion of the income, the amount receivable is known from the outset and recognised in revenue as the transaction amount. There are no financing or variable elements to the transaction.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (*continued*)

Revenue (continued)

Ongoing recurring income represents a deferred reward scheme paid by the Providers to the Company. The value of the recurring income payable is generally determined by the value of the invested assets and is based on a pre-agreed percentage as per the contract with the customer. The percentage is generally between 0.5% and 1.0% of the invested asset value. The recurring income is paid either monthly, quarterly, bi-annually or annually in arrears. The payment frequency is specific to the individual product. As all Provider payments are in arrears, the Company earns the right to income for each day that the investment product is held and the Company is contracted to maintain these investments for the client. Therefore the Company estimates a value of recurring income that represents the serviced and as yet unpaid period of the ongoing contract. This calculation is onerous and therefore estimated on a quarterly basis.

Initial upfront income is payable upon production of the invoice. The invoice will not be generated until the advice and any subsequent work on the investments has been completed, upon which the revenue and associated costs will be recognised by the Company. Payment terms are a maximum of 30 days from the invoice date and the amount due will be that invoiced. There are no financing or variable elements to the amount charged. Charges for initial advice presents three options, a percentage of the initial investment, hourly rate or fixed fee. However, for advice that is charged as a percentage of the initial investment or a fixed fee if the client were to cancel the contract before the advice and work on investments was completed but an element of work had been performed for the client the Company is due remuneration on this work and would normally bill an hourly rate for the work performed in this instance.

Therefore at a particular point in time the Company will have an asset related to work carried out on the initial upfront transactions that has not yet been billed (known as work in progress). The Company has estimated this amount as at 31st December and included it in the financial statements as a contract asset (see note 16).

The work in progress is based on time expired as current systems do not allow to provide an accurate judgement of work performed. An average initial upfront revenue amount is calculated per day and multiplied against an estimate of unbilled days as at Statement of Financial Position date. A corresponding commission cost is accrued. There is no variable consideration.

The Company does not have any work that is paid for by the client in advance and therefore no contract liabilities are recognised.

The Company is not disclosing transaction price allocated to remaining performance obligations as per paragraph 121 of the IFRS 15 standard as the remaining performance obligation is part of a contract that has an original expected duration of one year or less.

Leases: The lease liability is measured at the present value of all future cash payments discounted using the Company's incremental borrowing rate. IFRS 16 expresses preference for the interest rate implicit in the lease. This can not be readily determined as the Company is not provided with, and it would not be commercially viable to calculate, the value of the asset leased and the value of the asset expected upon contract end. Instead the Company has estimated the rate that would be readily available if it were to approach a lending institution for a secured loan. The standard does not indicate that this rate should be reviewed once initiated unless

- The lease is subsequently remeasured due to a change in lease payments
- The interest rate was based upon floating interest rates

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Leases (continued)

The interest rate chosen is based upon fixed rate conditions and therefore will only be reviewed upon remeasurement of the future lease payments of the lease liability.

In the case of a sub-lease the interest rate, the standard again expresses preference for the interest rate implicit in the lease. The Company does not review any value over the asset leased and therefore has chosen to revert to the rate used for the head lease.

The measurement of the lease liability should consider whether any extensions or early terminations will be enacted. The leases the Company has entered into do not provide for any extension clauses. Some leases do have early termination, or break, clauses. As such, it needs to be carefully considered whether a break clause will be enacted to accurately determine the length of the lease and therefore initial measurement value. Currently, it is not expected that any leases will be terminated early and therefore the lease liability calculations reflect the full term of the lease contract.

IFRS 16 also requires consideration to any variability in the amounts payable in the lease and if there is for an accurate estimation to take place. Currently there is no variability in the amounts payable and therefore no estimation required.

Some of the longer leases do include value reviews part way through the lease contract. IFRS 16 would require a remeasurement of the lease liability at the moment that the actual cash paid changes and therefore no estimation or judgement is required.

4 REVENUE

	2019 £000	2018 £000
Provision of financial planning advice	71,272	67,635
Other Income	-	701
Total revenue	71,272	68,336

Provision of financial planning advice is the Company's main source of revenue, this relates to fee income and recurring charges to both private and corporate clients. The amount receivable for each transaction is payable on either an initial upfront basis or on an ongoing recurring basis.

Other income is a one off receipt from a supplier providing compensation to the Company.

5 OPERATING PROFIT

	Notes	2019 £'000	2018 £'000
Operating profit is stated after charging:			
Wages and salaries		29,944	28,641
Social security costs		3,396	3,296
Other pension costs		589	479
Staff costs		33,929	32,416
Parent Company management charge		11,336	11,028
Operating lease rentals		1,598	1,751
Fees payable to the Company's auditors for the audit of the Subsidiary and parent company		155	155

Fees payable to the auditors for the audit of the Group financial statements of £0.16m (2018: £0.16m) has been borne by a fellow Group undertaking in the current and prior year. These amounts form part of the parent company management charge.

On 1 January 2019 IFRS 16 'Leases' was adopted by the Company resulting in a change of accounting policy. The operating lease rentals charged in current year relate to short term leases only for which a practical expedient permitted by the standard has been applied. A comparison between the old and new treatment is shown in note 23.

6 EMPLOYEES AND DIRECTORS

The Company has no employees (2018:nil). Staff are employed by Chase de Vere Independent Financial Advisers Group Plc and their day to day activities are performed on behalf of the Company. Their costs are recharged to the Company and are presented as staff costs below for information purposes only. There was a recharge of directors' remuneration in the year ended 2019 of £1.19m (2018: £1.11m).

	2019	2018
Average monthly number of persons recharged	No.	No.
Management and administration	149	132
Technical	275	268
	424	400

Directors' emoluments

	2019 £'000	2018 £'000
Salaries	1,026	965
Defined Contribution Scheme	9	6
Swiss Life Restricted Share Units Plan	154	137
	1,189	1,108

6 EMPLOYEES AND DIRECTORS *(continued)*

The number of directors receiving remuneration for their services to the Company in the year was 2 (2018:2).

The number of directors entitled to shares under a long term incentive scheme in the year was 1 (2018:1).

The Restricted Share Unit Plan is an equity settled share based payment awarded to key management personnel, Mr S Kavanagh, based on the performance of the company. The annual KPIs are set by Swiss Life Holding AG and if met, substantiates a payment based on measurement against the KPIs. The plan set each year typically vests after a 3 year period and the expense has been recognised on a cash basis. Payments made are charged fully to the profit and loss account in the first year as management do not believe that the fund will be received back from Swiss Life Holding AG in respect of years 2 and 3.

Highest paid director	**2019** **£'000**	**2018** **£'000**
Salary	706	674
Defined Contribution Scheme	-	-
Swiss Life Restricted Share Units Plan	154	137
	860	811

7 FINANCE INCOME

	2019 **£'000**	**2018** **£'000**
Lease receivable interest	4	-
Bank interest received	83	32
Finance income	87	32

8 FINANCE EXPENSE

	2019 **£'000**	**2018** **£'000**
Lease payable interest	146	-
Finance expense	146	-

9 INCOME TAX EXPENSE

Tax charge included in the income statement	2019 £'000	2018 £'000
Current tax:		
UK Corporation tax on profits for the year	(2,072)	(940)
Deferred tax:		
Current year charge	(134)	(973)
Adjustments in respect of previous years	(54)	(28)
Re-measurement of deferred tax – change in UK tax rate	-	(7)
Total deferred tax (see note 10)	(188)	(1,008)
Total tax charge	(2,260)	(1,948)

The tax assessed for the year is the higher (2018: higher than) as the standard rate of corporation tax in the UK 19.00% (2018:19.00%). The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before taxation is as follows:

	2019 £'000	2018 £'000
Profit before income tax	12,031	10,032
Notional tax on profit at the average by standard UK corporation tax rate of 19.00% (2018:19.00%)	(2,286)	(1,906)
Effects of:		
Expenses not deductible for tax purposes	80	(7)
Remeasurement of deferred tax	-	(7)
Movement on unrecognised deferred tax asset	(54)	(28)
Total tax charge for the year	(2,260)	(1,948)

10 INTANGIBLE ASSETS

Goodwill	2019	2018
	£'000	£'000
Cost		
At 1 January	17,100	17,100
Additions	384	-
Accumulated impairment losses		
At 1 January and 31 December	-	-
Carrying amount		
At 31 December	17,484	17,100

The Company tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The increase in goodwill of £0.38m relates to the acquisition of the wealth management arm of PSP Insurance & Financial Solutions Limited.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to revenues and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on management's knowledge of industry growth forecasts. Changes in revenues and direct costs are based on past practices and expectations of future changes in the market.

In respect of the carrying value of goodwill, it is compared with the future expected cash flows of the acquired Business of Medical Money Management. In the opinion of the directors, the value in use is in excess of the carrying value of the goodwill.

The calculation is based on current year profits with projected levels of growth including a 1% growth rate applied in perpetuity thereafter. This rate does not exceed the average long-term growth rate for the relevant markets. A discount factor of 10.0% per cent has been applied to the projections.

If the estimated cost of capital used in determining the pre-tax discount rate had been 1% higher (i.e. 11.0% instead of 10.0%) the estimated surplus in excess of the carrying value would have fallen by £3.2m (2018: 4.4m) but would not have resulted in any impairment.

If the estimated margin for normalised profits on which the value in use calculation is based had been 1% lower than managements estimations as at 31 December 2019 the estimated surplus of the carrying value would have fallen by £3.9m (2018: £3.9m) but would not have resulted in any impairment.

11 DEFERRED TAX ASSET

The provision for deferred tax consists of the following deferred tax assets / (liabilities)

	2019 £'000	2018 £'000
Accelerated capital allowances	695	362
Trading losses	-	103
Other timing differences	(188)	230
Total deferred tax	507	695

At start of year	695	1,703
Deferred tax charge in the income statement	(188)	(1,008)
At end of year	507	695

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in full in these financial statements.

The standard rate of Corporation Tax in the UK is 19%. Accordingly, the Company's profits for this accounting year are taxed at a rate of 19%.

12 LEASES

12(a) The Company's leasing activities

As a lessee

The Company leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 10 years, but might have early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant charge of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The liabilities are initially measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. They are subsequently measured by

- Increasing the carrying amount to reflect interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and
- Remeasuring the carrying amount to reflect changes to the fixed lease payment

12 LEASES *(continued)*

12 (a) The Company's leasing activities *(continued)*

The associated right-of-use assets are initially measured at the amount equal to the lease liability, adjusted by

- the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at prior year end for leases recognised upon IFRS 16 adoption on 1 January 2019
- initial direct costs incurred
- estimate of costs to be incurred in restoring the underlying the asset to the condition required by the terms and conditions of the lease

The right-of-use assets are subsequently measured under the cost model by reducing the carrying amount by any accumulated depreciation.

As a lessor

The Company sub-leases some of the property leases. As they are sub-leases of IFRS 16 financial assets they are assessed in accordance with the effective asset leased. The sub-lease contracts are for the substantive duration of the remaining head-lease duration and as such the sub-leases are also treated as financial assets.

Where a lease has been sub-let the associated right-of-use asset has been derecognised and a new lease receivable asset has been recognised. The lease receivable asset is initially measured at the present value of the remaining lease receivable income, discounted using the associated head lease interest rate. Any difference in recognised amount between the right-of-use asset and lease receivable is immediately recognised to the Income Statement.

The lease receivable asset is subsequently measured by

- Increasing the carrying amount to reflect interest on the lease receivable;
- Reducing the carrying amount to reflect the lease payments received

In applying IFRS 16, the Company has used the following practical expedients

- Not applied the new guidance to short-term leases (lease contracts less than one year) and leases of which the underlying asset is of low value
- For leases that were in existence at the adoption of IFRS 16 on 1 January 2019
  - The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
  - The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
  - The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

IFRS 16 is a new standard for the period starting 1 January 2019. The modified retrospective approach was chosen upon transition as per the standard and therefore prior year figures have not been restated. As such no prior year comparitors are shown within this leases note. The effect of the new standard is shown in note 23 and the previous operating lease notes are shown in note 21.

12 LEASES *(continued)*

12 (b) Leases recognised in the income statement

The income statement shows the following amounts relating to leases:	2019 £'000
Depreciation (charge) of right of use assets	
Properties	(1,321)
Equipment	(48)
Motor Vehicles	(23)
	(1,392)
Interest expense (included in finance cost)	(145)
Expense related to cost of short-term leases (included in distribution costs)	(151)
Interest income from sub-leasing right of use assets (included in finance income)	11
(Loss) from recognition of sub-lease of right of use asset (included in administrative expenses)	(22)

The total cash outflow for leases in the financial period was £2.12m

The total cash inflow for leases in the financial period was £0.75m

	2019 £'000
Right of use assets	
Properties	5,673
Equipment	112
Motor Vehicles	11
	5,796
Lease receivable assets	
Properties	825

Additions to right of use assets in the financial period were £0.83m

Lease liabilities	2019 £'000
Current	1,461
Non-current	5,355
	6,816

12 LEASES *(continued)*

12 (d) Lease liability and lease receivable maturity analysis

Contractual maturities of financial liabilities as at 31 December 2019	Less than 6 months £'000	6 – 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total contractual cash flows £'000	Carrying amount of liability £'000
Lease liabilities	841	688	1,357	3,436	1,930	8,252	6,816
Lease receivables	76	76	134	365	274	925	825

13 TRADE RECEIVABLES

	2019 £000	2018 £000
Trade receivables	4,140	4,924
Less provision for impairment	(738)	(828)
Net trade receivables	3,402	4,096

The Company recognises trade and other receivables through the generation of commission expectations and the raising of fee invoices for advice related activity. These predominately relate to the monies receivable from product providers, consumers and corporate entities. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method. The Company does not hold any collateral as security.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 15 months before 31 December 2018 together with an updated review of activity in 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forwardlooking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified that there are no expected macroeconomic changes to affect the recoverability of debt, and accordingly no adjustments to the the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2019 and 31 December 2018 was determined as follows for trade receivables:

13 TRADE RECEIVABLES *(continued)*

31 December 2019	Current £'000	More than 6 months past due £'000	More than 9 months past due £'000	More than 12 months past due £'000	More than 15 months past due £'000	Total £'000
Expected loss rate	2%	14%	14%	25%	100%	
Gross carrying amount – trade receivables	2,336	236	141	69	620	3,402
Loss allowance	46	33	20	18	620	737

31 December 2018	Current £'000	More than 6 months past due £'000	More than 9 months past due £'000	More than 12 months past due £'000	More than 15 months past due £'000	Total £'000
Expected loss rate	2%	14%	14%	25%	70%	
Gross carrying amount – trade receivables	3,189	409	266	155	905	4,924
Loss allowance	64	57	37	39	633	828

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 15 months past due.

Impairment losses on trade receivables are included within administrative expenses before exceptional items within profit before interest and taxation. Subsequent recoveries of amounts previously written off are credited against the same line item.

The average credit period taken is 21 days (2018: 26 days). No interest is charged on overdue items.

14 AMOUNTS OWED BY GROUP UNDERTAKINGS

	2019 £'000	2018 £'000
Amounts owed by group undertakings	12,237	4,612
	12,237	4,612

Amounts owed by group undertakings represent trading balances and are interest free, unsecured and repayable on demand.

Under IFRS 9 the amounts owed by group undertakings is recognised as a financial asset held at amortised cost and as such the Company is required to recognise an associated expected credit loss.

As the debt is interest free and repayable on demand the debt has an effective interest rate of 0%. Accordingly, for such loans, discounting over the recovery period will have no effect. It follows that, if all recovery scenarios indicate that the full amount of the loan could be recovered, there will be no impairment loss to recognise. For the recovery scenarios it is assumed that repayment of the loan is demanded at the reporting date.

The majority of the debt is due from the parent undertaking Chase de Vere IFA Group Plc. This is where the parent has performed administrative duties (including the transfer of cash) on behalf of the Company.

The Directors consider the debt to be low risk and full recovery expected and therefore any expected credit loss is immaterial and not recognised.

15 OTHER RECEIVABLES

	2019 £'000	2018 £'000
Other receivables	1,631	561
	1,631	561

Other receivables include an amount of £1.15m (2018: Nil) representing upfront corporation tax payments for the tax year ended 31 December 2019.

The directors consider that the carrying amount of other receivables approximates to their fair value. Other receivables does not include any financial assets.

The maximum exposure to credit risk is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

16 PREPAYMENTS AND ACCRUED INCOME

	2019 £'000	2018 £'000
Prepayments	547	1,007
Accrued income	5,450	4,557
Work in progress	880	600
	6,877	6,164

Accrued income relates to recurring income where the expected income is not known, an estimate is made at each year end using the management's best estimates based on analysis of similar income from previous years as mentioned in note 3.

Work in progress relates to completed work that is not yet invoiced and therefore not yet recognised in revenue in the Income Statement but the contract with the customer does represent a right to remuneration for work completed.

Work in progress is a contract asset as defined under IFRS 15 and subject to the expected credit loss model. The contract asset relating to unbilled work in progress has substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the work in progress contract assets (see note 12).

Work in progess is expected to be billed within the first two weeks of the next reporting period. As such it is treated as current receivables (less than 30 days post due) within the expected loss rate calculation. The loss allowance as at 31 December 2019 and 31 December 2018 was determined as follows for work in progress:

	31 December 2019 £'000	31 December 2018 £'000
Expected loss rate	2%	2%
Gross carrying amount – work in progress	880	600
Loss allowance	18	12

Associated cost of sales for the contract asset have been provided within Accruals and deferred income. The result of adjusting the loss allowance for the cost of sales would result in an overall reduction of less than £0.002m to the retained earnings and therefore not included within the income statement due to immateriality.

17 TRADE CREDITORS

	2019 £'000	2018 £'000
Trade creditors	517	660
	517	660

Trade creditors principally comprise amounts outstanding for trade purposes and ongoing costs. Trade payables are measured as financial liabilities held at amortised cost under IAS 32.

18 OTHER CREDITORS

	2019 £'000	2018 £'000
Other creditors	515	3,825
Corporation Tax	2,472	-
	2,987	3,825

On the 23 October 2017, the company acquired the Business (comprising the Assets) of Medical Money Management (MMM). The total consideration was £17.10m. £2.55m within other creditors relates to the proportion of the consideration that is due two years after acquisition dependent on certain criteria being met (see note 22).

The directors consider that the carrying amount of other creditors approximates to their fair value. Other creditors are measured as financial liabilities held at amortised cost under IFRS 9.

19 ACCRUALS AND DEFERRED INCOME

	2019 £'000	2018 £'000
Accruals and deferred income	6,304	6,267
	6,304	6,267

20 PROVISIONS FOR LIABILITIES

	Commission on indemnity terms £'000	Complaints Provision £'000	Total £'000
Balance at 1 January 2019	252	49	301
Utilised in the year	-	(21)	(21)
Charged / (credited) to statement of comprehensive income	(136)	3	(133)
Balance at 31 December 2019	116	31	147

20 PROVISIONS FOR LIABILITIES *(continued)*

Commission on indemnity terms

This provision is based on indemnity business written where the indemnity period remains unexpired. The Company assess an appropriate provision to account for potential future clawbacks. The provision for commissions on indemnity terms equates to 0.77% of commissions received on indemnity terms during the year 1.6% (2018: 1.6%). The provision is likely to be fully utilised within 1 to 4 years of 31 December 2019.

During the year 236 (2018: 278) insurance policies for which commission was received on indemnity terms lapsed and £0.19m (2018: £0.21m) of commission was clawed back by providers.

A sum of £0.50m (2018: £0.11m) included in the Commission on Indemnity terms, is recoverable from advisers and included in debtors.

Complaints Provision

The complaints provision represents the expected cost of settling claims from clients and the amount represents the gross obligation.

21 CALLED UP SHARE CAPITAL

	Number of Shares No 000's	Ordinary Shares £'000
Allotted, called up and fully paid:		
At 1 January 2019	17,000	17,000
At 31 December 2019	17,000	17,000

The Company has one class of ordinary shares which carry no right to fixed income. The share capital represents amounts subscribed for share capital at nominal value.

22 CAPITAL AND OTHER COMMITMENTS

At 31 December 2018, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods. The table is presented for the year of transition due to prior period figures not being restated and remaining disclosed under IAS 17:

	2018 £'000
Not later than one year	1,647
Later than one year and not later than five years	4,657
Later than five years	1,179
	7,483

22 CAPITAL AND OTHER COMMITMENTS *(continued)*

On 1 January 2019 the Company adopted IFRS 16 and as such the majority of leases are now accounted for under this standard and shown in note 11. The leases that remain can be cancelled upon notification and are reviewed annually. As such these are treated as having a life of less than 12 months and qualify as a short term lease and remain accounted for as per prior periods.

The portfolio of short-term leases at the end of the reporting period is the same as the portfolio held during the year.

The effect of adopting IFRS 16 is detailed in note 23.

23 CHANGES IN ACCOUNTING POLICES

This note explains the impact of the adoption of IFRS 16 on the Company's financial statements

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases: These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 1 January 2019. The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at prior year end.

Where a lease has been sub-let the associated right-of-use asset has been derecognised and a new lease receivable asset has been recognised either at adoption of IFRS 16 on 1 January 2019 or upon when a contractual obligation to sub-lease the property and receive future rental incomes has been created within the reporting period. The lease receivable asset was measured at the present value of the remaining lease receivable income, discounted using the associated head lease interest rate. Any difference in recognised amount between the right-of-use asset and lease receivable is immediately recognised to the Income Statement.

23 (a) Reconciliation between IAS 17 and IFRS 16

	£'000
IAS 17 operating lease commitments based on gross cash flows disclosed as at 31 December 2018	7,483
Discounted using the Company's incremental borrowing rate of 3.5%	6,749
Add: finance lease liabilities recognised as at 31 December 2018	1,214
(Less): contracts to which the short-term leases	(210)
IFRS 16 lease liability as at 1 January 2019	7,753

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.5%.

24 RELATED PARTY TRANSACTIONS

Transactions with the parent Company, Chase de Vere IFA Group Plc, and fellow group company ,Oakfield Wealth Management Limited, are not disclosed as the Company has taken account of the exemption allowed by IAS 24: Related Party Disclosures, as wholly owned subsidiaries. The consolidated financial statements of Chase de Vere IFA Group Plc in which the Company and Oakfield Wealth Management Limited are included are available at the address shown in note 26.

See note 6 for disclosure of directors' remuneration.

25 EVENTS AFTER THE END OF THE REPORTING PERIOD

As described in the Strategic Report, the Board has evaluated the impact of the COVID-19 virus on the Company. This is expected to impact on the operating performance in 2020 within parameters for ongoing operations.

26 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Chase de Vere IFA Group Plc, a Company registered in England and Wales.

The ultimate parent undertaking and controlling party is Swiss Life Holding AG, a Company incorporated in Switzerland.

Swiss Life Holding AG is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2019. The consolidated financial statements of Swiss Life Holding AG are available from Swiss Life Holding AG, General-Guisan-Quai 40, PO Box 8022 Zurich, Switzerland or from the Company's website www.swisslife.com.

Chase de Vere IFA Group Plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Chase de Vere IFA Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.