Company Registration Number: 02090838

Chase de Vere Independent Financial Advisers Limited

Annual Report and Financial Statements

For The Year Ended

31 December 2017

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OFFICERS AND PROFESSIONAL ADVISERS

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S Kavanagh

Company Secretary
I McKie

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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 2017.

OUR VISION

The Company's vision is to be recognised as the national Independent Financial Advisory firm of choice. To provide trusted and consistent high quality financial advice and services to both individual and corporate clients' who value the benefits of our 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 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

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

Key Performance Indicators	2017	2016
Gross Advice Revenue (£'000)	56,343	50,959
Average Revenue per adviser (£'000)	286	245
Gross Margin (%)	42	45

Other performance indicators are also used by the business to monitor activities throughout the year.

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

- Regulatory pressures driving transparency and simplification;
- Changing legislation in the personal and group pension domain;
- Shifting demographics and customer preferences; and
- Brexit.

Against this background the Company reported profit before taxation of £5.17m which compares with a profit before tax of £5.18m in the previous year. Profit has remained consistent due to the acquisition of the business of Medical Money Management on 23rd October 2017.

In October 2017 the company increased the issued share capital from 5m to 17m Ordinary £1 shares. The issue was facilitated by a capital introduction of £12m.

REVIEW OF THE YEAR *(continued)*

In April 2017 the Company paid a final dividend of £4.7m to its parent Company following the success of the financial performance in the previous year

A dividend will be declared by the Board and will be paid in June 2018 to the parent company. At this stage the amount has not yet been ratified.

2017 saw further development in revenue associated with key affinity partnerships which supported the overall revenue growth year on year.

On 23rd October the Company acquired the business of Medical Money Management an IFA formed in 1971 that focuses on providing independent financial advice to medical, dental and other professionals. There are strong synergies with the Company's BMA advice services. Further information on the purchase, valuation and assessment of goodwill is given in note 23.

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. The Company currently has 44 advisers of Chartered status or above which equates to 24%. The Company will continue to strive to increase this number.

Along with other businesses within the IFA sector from April 2016 the Company was impacted by the introduction of the banning of rebates in respect of client assets held on platforms and the cessation of commission payments in respect of group pension schemes.

In response to this the Company has continued to engage with its clients in respect of its client proposition and launched a new proposition to its corporate clients aimed at providing enhanced services. Early indications are that this has been well received.

In 2017, the Company was active in pension liability management working with a select number of UK companies, as many companies generally are looking to manage their future pension liabilities.

The Company is continuing to benefit from robust systems and controls which has resulted in a continued reduction to its exposure to redress settlement.

The Company has recognised that its systems must continue to meet the demands of its clients and as such during 2017 the Company updated 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 £2.8m over 5 years to improve its client offering and drive efficiencies through an enhanced operating platform.

The Company has considered the potential impact of the UK EU referendum in the months leading up to the vote, in the period after the outcome of the vote, and, as an ongoing consideration and influence. Early consideration has been two-fold; the potential for impact on its customers, and the potential for impact on its business model and medium term business plan.

Opinion and guidance on customer investments advised on by the Company was regularly issued to its clients and focussed predominantly on the financial impact of Brexit relative to the value and efficacy of their invested assets.

The Company consider that the risk of immediate impact on its medium term business model is minimal given the legalities surrounding the invoking of EU Article 50 which has triggerd the formal process of withdrawal. As a regulated business in a sector subject to EU rules in practice, and of course as a subsidiary of a Swiss parent company, the Company could, as with many businesses in the financial services sector, have potentially been impacted by the outcome of the referendum. However, the reality is that Article 50 and the ensuing two year negotiating period is only the start of a prolonged legal process and that as such, projections based on pre-Brexit assumptions hold good in the near term.

REVIEW OF THE YEAR *(continued)*

Political impact is likely to be more significant than economic impact and consequently the Company remains committed to its medium term business plan. It must be noted that the Company do not undertake business outside of the UK.

The manner in which equity markets in the UK, Europe and more recently in the US have rallied supports the case for minimal near term Brexit impact. The process of withdrawal is of course an evolving and not previously experienced one, which will remain a focus for the Executive Board of the Company and its parent for years ahead.

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 will be restricted to 50%. The restriction only applies to profits in excess of £5.0m

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 and the retention of key financial advisers and staff.

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 sales 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 2017.

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 2018.

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.

FUTURE DEVELOPMENTS (*continued*)

In addition further investment is planned in developing key affinity partnerships.

As a result of the acquisition of the business of Medical Money Management, the group is expected to increase its presence in the medical professionals market. It also expects to reduce costs through economies of scale.
In order to expand and grow the Directors would be amenable to further acquisitions should they complement the company principles and vision.

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 management are confident that the group is perfectly aligned to meet the requirements of the forthcoming MiFID II framework.

In 2018 the Senior Managers and Certification Regime (SM&CR) will replace the current Approved Persons Regime, changing how people working in financial services are regulated. The aim of the new SM&CR is to reduce harm to customers and strengthen market integrity by making individuals more accountable for their conduct and competence.

As part of this, the SM&CR aims to:

- encourage a culture of staff at all levels taking personal responsibility for their actions
- make sure firms and staff clearly understand and can demonstrate where responsibility lies

The most senior people ('senior managers') who perform key roles ('senior management functions') will need FCA approval before starting their roles.

There are some specific responsibilities that the Company will need to give to their senior managers, known as 'prescribed responsibilities'. This is to make sure there is a senior manager accountable for the SM&CR and key conduct and prudential risks.

At least once a year firms need to certify that senior managers are suitable to do their job.

The Certification Regime will apply to employees who aren't senior managers but whose role means it's possible for them to cause significant harm to the firm or its customers. These roles are called 'certification functions'.

These people won't need to be approved by FCA, instead firms will need to check and confirm ('certify') that they are fit and proper to perform their role at least once a year. Our Handbook will set out which roles are certification functions.

The FCA are proposing new, high-level standards of behaviour that will apply to almost all employees who do financial services activities in a firm. Some Conduct Rules apply to all employees, while others only apply to senior managers.

The proposed Conduct Rules are intended to drive up standards of individual behaviour in financial services. They represent a meaningful change in the standards of conduct we expect from those working in the industry. By applying the Conduct Rules to a broad range of staff the FCA aim to improve individual accountability and awareness of conduct issues across firms.

FSMA requires firms to train their staff so that they know how the Conduct Rules apply to them. Firms must also notify the FCA when they've taken formal disciplinary action against a person for breaching a conduct rule.

FINANCIAL RISK MANAGEMENT

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

- credit risk
- capital risk
- economic risk
- liquidity risk
- market risk

The Company is exposed to risks that arise from its use of financial instruments. This section 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 section.

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 fact find 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, 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.

FINANCIAL RISK MANAGEMENT *(continued)*

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.

Market risk

The Retail Conduct Risk Outlook has been replaced by the FCA Business Plan, the latest being for the period 2017/2018.The report published by The FCA in April 2017 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

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
- Technology
- Firm and market drivers

The 2017/18 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.

- UK economic growth
- Wholesale financial markets
- Advice
- Innovation and technology
- Firms' culture and governance
- Treatment of existing customers
- Consumer responsibility and vulnerability
- The interaction between regulation and public policy
- Competition policy
- Pension Legislation

The Board is fully aware of these risks and is constantly reviewing the operations of the business 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.

FINANCIAL RISK MANAGEMENT (*continued*)

The Board are focussed on ensuring 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 the Board can embed the right culture and drive appropriate behaviours. The Board welcome the FCA proposal to extend their Senior Management Regime to intermediary firms with an increase focus on personal responsibility

The Board recognises that innovation and technology represent opportunities to improve the efficiency of the business, although 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 business and Chase de Vere's clients.

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
26 June 2018

The Directors present their annual report, together with the audited financial statements for the year ended 31 December 2017.

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 Independent Financial Advisers Group Plc (registered number 03323436), a Company registered in England and Wales.

The review of the business in the year, discussion of future developments and going concern are discussed in the Strategic report.

DIRECTORS

The current Board of Directors is shown on page 2. 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 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.

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.

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 Select International Holding AG.

POST BALANCE SHEET EVENTS

There have been no events since 31 December 2017 which materially affect the position of the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 of the Companies Act 2006.

On behalf of the Board

G Chapman
Director
26 June 2018

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 2017 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 2017; the income statement and statement of comprehensive income, the statement of changes in shareholders' 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

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

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.

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.

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.

Reporting on other information (continued)

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 2017 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 set out on page 12, 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.

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 Bryd

Daniel Brydon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
26 June 2018

Income statement
For the year ended 31 December 2017

	Note	**2017 £000**	2016 £000
Revenue	4	57,321	51,767
Cost of sales		(33,511)	(29,647)
Gross profit		23,810	22,120
Distribution costs		(8,264)	(7,293)
Administrative expenses before exceptional items		(10,379)	(10,396)
Exceptional Items released against Administrative expenses	5	-	184
Total administrative expenses		(10,379)	(10,212)
Other income		-	541
Profit before interest and taxation		5,167	5,156
Finance income	8	3	20
Profit before income tax		5,170	5,176
Income tax expense	9	(1,007)	(1,079)
Profit for the financial year		4,163	4,097

Statement of comprehensive income
For the year ended 31 December 2017

	2017	2016
	£000	£000
Profit for the financial year	4,163	4,097
Total other comprehensive income for the year net of tax	-	-
Total comprehensive income for the year	4,163	4,097

Statement of financial position
As at 31 December 2017
Company Registration Number: 02090838

	Note	2017 £000	2016 £000
Fixed Assets			
Intangible Assets	10	17,100	-
		17,100	-
Non current assets			
Deferred tax asset	11	1,703	2,711
		1,703	2,711
Current assets			
Trade receivables	12	2,907	2,988
Amounts owed by group undertakings	13	4,592	4,199
Other receivables	14	592	1,830
Prepayments and accrued income	15	5,120	3,797
Cash at bank and in hand		11,580	12,120
		24,791	24,934
Creditors – amounts falling due within one year			
Trade creditors	16	482	621
Other creditors	17	3,252	444
Accruals and deferred income	18	5,017	4,739
		8,751	5,804
Net Current Assets		16,040	19,130
Total assets less current liabilities		34,844	21,841
Provisions for liabilities	19	352	1,438
Creditors – amounts falling due after more than one year	20	2,625	-
Net assets		31,866	20,403
Equity			
Called up share capital	21	17,000	5,000
Profit and loss account		14,866	15,403
Total shareholders' equity		31,866	20,403

The notes on page 20 to 37 are an integral part of these financial statements.
The financial statements on pages 16 to 37 were authorised for issue by the board of directors on 16 March 2018 and were signed on its behalf.

G Chapman
Director
26 June 2018

Statement of changes in shareholders' equity

	Profit and loss account £000	Called up share capital £000	Total equity £000
Balance as at 1 January 2016	17,706	5,000	22,706
Profit for the financial year and total comprehensive income	4,097	-	4,097
Dividend payment	(6,400)	-	(6,400)
At 31 December 2016	15,403	5,000	20,403

	Note	Profit and loss account £000	Called up share capital £000	Total equity £000
Balance as at 1 January 2017		15,403	5,000	20,403
Profit for the financial year and total comprehensive income		4,163	-	4,163
Dividend payment		(4,700)	-	(4,700)
New share issue		-	12,000	12,000
At 31 December 2017		14,866	17,000	31,866

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 limited company incorporated in England and Wales and domiciled in the UK. 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". The financial statements have been prepared under historical cost convention, in accordance with the Companies Act 2006.

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 proceeding 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 2017 that have had a material impact on the Company.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. The full impact of these standards has not yet been assessed:

- IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The group is working towards the implementation of IFRS 15 on 1 January 2018 and has carried out a review of existing contractual arrangements as part of this process. The directors anticipate there will be no material impact.
- 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.

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 'Pounds Sterling' (£), which is also the Company's functional currency.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Foreign currency translation *(continued)*

(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. All other foreign exchange gains and losses are presented in the income statement within 'Administrative expenses before exceptional items'.

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 balance sheet, bank overdrafts are shown within borrowings in current liabilities.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet 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 balance sheet 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.

2.9 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 5.

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 2017, and are discounted to present value where the effect is material.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

2.10 Provisions (*continued*)

The provision for customer complaints is based on outstanding complaints at 31 December 2017 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 dilapidations is recognised at the point that the liability becomes certain. The provision represents the expected cost of returning the property to its original state.

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 recurring income, the amount receivable is known from the outset and so no estimate of income is required. 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.

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 attributable to one activity, the provision of financial planning advice.

2.12 Leasing

The only leases the Company has entered into are operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

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 ine the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.
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. 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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:

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 balance sheet date, and are discounted to present value where the effect is material.

The provision for customer complaints is based on outstanding complaints at the balance sheet 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.

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

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 Group 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).

***Insurance Recoveries*:** The business maintains professional indemnity insurance or its equivalent to provide cover to protect itself from claims of negligence in respect of advice and servicing provided to its customers. The business has an ongoing outstanding recovery from its insurers. The professional Indemnity Insurance that was previously in place at the time of the settlement was complex with multiple layers of insurance in place. A debtor is recognised for the amounts considered virtually certain to be recoverable. Where uncertainty exists around such recoverability a debtor is not recognised.

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 balance sheet 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.

4 REVENUE

	2017 £000	2016 £000
Provision of financial planning advice	57,321	51,767

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.

5 EXCEPTIONAL ITEMS RELEASED AGAINST ADMINISTRATIVE EXPENSES

	2017 £000	2016 £000
Provision for regulatory obligation in the United Kingdom	-	184
	-	184

During the year there have been no exceptional items released against administrative expenses. In 2016 the review into the sale of Keydata products between August 2005 and June 2009 resulting from the FCA's enforcement investigation had been concluded resulting in provisions from a previous year no longer being required. These were previously charged as exceptions and therefore were reversed as such.

6 OPERATING PROFIT

	2017 £000	2016 £000
Operating profit is stated after charging:		
Wages and salaries	24,590	21,796
Social security costs	2,810	2,437
Other pension costs	460	406
Staff costs	**27,860**	**24,639**
Parent Company management charge	11,268	10,157
Operating lease rentals (see note 22)	1,508	1,266
Fees payable to the Company's auditors for the audit of the Subsidiary and Parent Company	155	124

Fees payable to the auditors for the audit of the Group financial statements of £0.155m (2016: £0.124m) has been borne by a fellow Group undertaking in the current and prior year. These amounts form part of the parent company management charge.

7 EMPLOYEES AND DIRECTORS

The Company has no employees (2016: 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 2017 of £1.068m (2016: £1.036m).

	2017	2016
Average monthly number of persons recharged	No.	No.
Management and administration	116	109
Technical	254	249
	370	358

7 EMPLOYEES AND DIRECTORS *(continued)*

Directors' emoluments

	2017 £000	2016 £000
Salaries	913	900
Defined Contribution Scheme	8	10
Swiss Life Restricted Share Units Plan	147	126
	1,068	1,036

The number of Directors receiving remuneration for their services to the Company in the year was 2 (2016: 2). The number of Directors entitled to shares under a long term incentive scheme in the year was 1 (2016:1).

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

	2017 £000	2016 £000
Salary	665	636
Defined Contribution Scheme	-	5
Swiss Life Restricted Share Units Plan	147	126
	812	767

8 FINANCE INCOME

	2017 £000	2016 £000
Bank interest income	3	20

9 INCOME TAX expense

Tax charge included in profit and loss

	2017 £000	2016 £000
Current tax:		
UK Corporation tax on profits for the year	-	-
	-	-
Deferred tax:		
Current year charge	(1,015)	(817)
Adjustments in respect of previous years	(242)	(232)
Re-measurement of deferred tax – change in UK tax rate	250	(30)
Total deferred tax (see note 11)	(1,007)	(1,079)
Total tax charge	(1,007)	(1,079)

The tax assessed for the year is the same (2016: higher than) the standard rate of corporation tax in the UK 19.25% (2016: 20%). 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:

	2017 £000	2016 £000
Profit on ordinary activities before income tax	5,170	5,176
Notional tax on profit on ordinary activities at the average by standard UK corporation tax rate of 20% (2016: 20.00%)	(1,034)	(1,035)
Effects of:		
Group relief for loss surrendered at 20%	1	4
Expenses not deductible for tax purposes	(21)	(5)
Remeasurement of deferred tax	47	(35)
Movement on unrecognised deferred tax asset	-	(8)
Total tax charge for the year	(1,007)	(1,079)

10 INTANGIBLE ASSETS

	Goodwill	
	2017	**2016**
	£'000	**£'000**
Cost		
At 31 December	17,100	-
Accumulated impairment losses		
At 1 January and 31 December	-	-
Carrying amount		
At 31 December	17,100	-

The Company tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

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 Chase de Vere Independent Financial Advisers Limited. 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.

11 DEFERRED TAX ASSET

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

	2017	**2016**
	£000	**£000**
Accelerated capital allowances	450	528
Trading losses	1,086	2,029
Other timing differences	167	154
Total deferred tax	1,703	2,711

At start of year	2,711
Deferred tax charge in the income statement	(1,007)
At end of year	1,703

11 DEFERRED TAX ASSET *(continued)*

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 19.25%. A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

12 TRADE RECEIVABLES

	2017	2016
	£000	£000
Trade receivables	3,460	3,438
Less provision for impairment	(553)	(450)
Net trade receivables	2,907	2,988

Recognised revenue includes an amount of income to which the Company is unconditionally entitled but had not received at the year end. This asset is held on the statement of financial position under debtors which is reduced by means of impairment provision that is arrived at by applying estimates of non-receivable commission to the aged debtor profile.

The average credit period taken is 22 days (2016: 23 days). No interest is charged on overdue items.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

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.

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.

13 AMOUNTS OWED BY GROUP UNDERTAKINGS

	2017	2016
	£000	£000
Amounts owed by group undertakings	4,592	4,199
	4,592	4,199

13 AMOUNTS OWED BY GROUP UNDERTAKINGS *(continued)*

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

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

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.

14 OTHER RECEIVABLES

	2017 £000	2016 £000
Other receivables	592	1,830
	592	1,830

Other receivables include an amount of £nil (2016: £0.927m) representing money recoverable from the Company's professional indemnity insurers.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

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.

15 PREPAYMENTS AND ACCRUED INCOME

	2017 £000	2016 £000
Prepayments and accrued income	5,120	3,797
	5,120	3,797

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.

16 ACCRUALS AND DEFERRED INCOME

	2017 £000	2016 £000
Accruals and deferred income	5,017	4,739
	5,017	4,739

17 TRADE CREDITORS

	2017 £000	2016 £000
Trade creditors	482	621
	482	621

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

	2017 £000	2016 £000
Other creditors	3,252	444
	3,252	444

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 IAS 32.

19 PROVISIONS FOR LIABILITIES

	Commission on indemnity terms	Complaints Provision	Dilapidation Provision	Regulatory & Litigation provision	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2017	242	964	225	6	1,437
Utilised in the year		(873)	(225)	0	(1,097)
Charged / (credited) to statement of comprehensive income		100	0	0	100
Provisions no longer required	(50)	(38)	0	0	(88)
Balance at 31 December 2017	192	153	0	6	352

19 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 1.6% of commissions received on indemnity terms during the year (2016: 1.6%). The provision is likely to be fully utilised within 1 to 4 years of 31 December 2017.

During the year 613 (2016: 864) insurance policies for which commission was received on indemnity terms lapsed and £0.050m (2016: £0.076m) of commission was clawed back by providers.

A sum of £0.092m (2016: £0.092m) 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.

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. During the year the Company utilised £0.873m of its brought forward provision. A total of £0.038m of the brought forward provision was no longer required in the year whilst the charge to the statement of comprehensive income for the year was £0.1m.

Dilapidation Provision

The provision is recognised at the point that the liability becomes certain. The provision represents the expected cost of returning the property to its original state. In the year the company has utilised a dilapidation provision of £0.225m (2016: created provision of £0.225m) in relation to one of its larger branch offices.

20 CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Amounts falling due after more than one year and less than five years

	2017 £000	2016 £000
Deferred Payment	2,625	-
	2,625	-

On the 23 October 2017, the company acquired the Business (Comprising the Assets) of Medical Money Management (MMM). The total consideration was £17.1m. The £2.63m relates to the proportion of the consideration that is due after more than one year dependent on certain criterial being met. See note 23.

21 CALLED UP SHARE CAPITAL

	Number of Shares No 000's	Ordinary Shares £'000	Total £'000
Allotted, called up and fully paid:			
At 1 January 2017	5,000	5,000	5,000
Share Capital Issued	12,000	12,000	12,000
At 31 December 2017	17,000	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, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017 £000	2016 £000
Not later than one year	2,262	1,744
Later than one year and not later than five years	4,817	3,864
Later than five years	2,328	2,103
	9,407	7,711

23 BUSINESS COMBINATIONS

On 23rd October 2017, the company acquired the Business (comprising the Assets) as a going concern of Medical Money Management (MMM) for £12m excluding a deferred consideration of £5.1m.
MMM are an IFA formed in 1971 that focuses on providing independent financial planning advice to medical, dental and other professionals. There are strong synergies with Chase de Vere Independent Financial Adviser Limited's BMA advice services.

As a result of the acquisition, the company is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale. The goodwill of £17.1m arising from the acquisition is attributable to the acquired adviser relationships and economies of scale expected from combining the operations of the company and MMM. None of the goodwill recognised is expected to be deductible for income tax purposes.

For the purpose of accounting for this transaction the relevant guidance has been IFRS-Business Combinations.

Consequently, as of the acquisition date, Chase de Vere Independent Financial Adviser Limited as the acquirer is required to recognise, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non controlling interest in the acquire (MMM).

23 BUSINESS COMBINATIONS (Continued)

In undertaking this assessment Chase de Vere Independent Financial Adviser Limited have given consideration to the following specific areas:

Leases:

An asset may arise where leases are obtained on favourable terms. The terms of the leases that were acquired were all at market rate and therefore it is the opinion of management that no additional intangible asset was acquired on completion as a consequence of this transaction.

Brand:

Management consider it appropriate not to recognise any value attributable to the existing MMM Brand. There is no intention to retain the MMM brand once part of Chase de Vere Independent Financial Adviser Limited.

Software:

Chase de Vere Independent Financial Adviser Limited plans to migrate all of the MMM client data onto its own back office system and there are no plans to actively use the MMM IT software on an ongoing basis. Consequently, Chase de Vere Independent Financial Adviser Limited Management consider it reasonable that no value be attributed to this.

Customer List:

It is the opinion of Chase de Vere Independent Financial Adviser Limited Management that it is not possible to separate and therefore place any value on the Customer database.

Completion Accounts:

The completion accounts, which were subject to an independent audit, confirm the net assets of MMM acquired as £0.

Accrued Income:

Following completion of the acquisition it was considered appropriate to align the accounting policies of MMM with those of Chase de Vere Independent Financial Adviser Limited. As a consequence, this has resulted in an asset being recognised in respect of income received post completion but relating to activity undertaken but not invoiced pre completion.

23 BUSINESS COMBINATIONS (Continued)

The following table summarises the consideration paid for MMM, the fair value of assets acquired and liabilities assumed at the acquisition date.

	Total £'000
Consideration at 23 October 2017	
Cash	12,000
Contingent	4,840
Total consideration transferred	16,840
Indemnification asset	672
Total consideration	17,512
Recognised amounts of identifiable assets acquired and liabilities	
Plant and equipment	122
Trade and other receivables	702
Trade and other payables	(412)
Total identified net assets	412
Goodwill	17,100

Acquisition related costs of £0.12m have been charged to administrative expenses in the income statement for the year ended 31 December 2017.

The deferred consideration arrangement requires Chase de Vere Independent Financial Advisers Limited to pay, in cash, to the former partners of MMM £2.55m in respect of the first year after completion, and an additional amount of £2.55m in respect of the second year after completion. Both payments are conditional on certain performance targets being achieved.

The deferred consideration also includes an amount to cover the cost of future claims relating to MMM business and a loyalty bonus for the non seller financial advisers.

In order to arrive at an appropriate value for the deferred consideration a discount rate of 10% has been applied which matches the existing rate used by Chase de Vere Independent Financial Advisers Limited in determining the value of existing goodwill.

The revenue included in the statement of comprehensive income since 23 October 2017 contributed by MMM was £2.23m. MMM also contributed profit of £0.95m over the same period.

24 RELATED PARTY TRANSACTIONS

Transactions with the parent Company, Chase de Vere Independent Financial Advisers Group Plc, are not disclosed as the Company has taken account of the exemption allowed by IAS 24: Related Party Disclosures, as a wholly owned subsidiary. The consolidated financial statements of Chase de Vere Independent Financial Advisers Group Plc in which the Company is included are available at the address shown in note 26.

See note 7 for disclosure of directors' remuneration.

25 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material post balance sheet events.

26 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Chase de Vere Independent Financial Advisers 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 2017. 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 Independent Financial Advisers 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 Independent Financial Advisers Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.