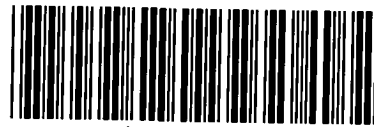


**BROOKS MACDONALD FINANCIAL
CONSULTING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Company number: 02621847

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Company Information

Directors

The directors of the Company who were in office during the year and up to the date of signing of the Annual Report and Financial Statements were:

N H Lawes
C M Connellan
A W Shepherd
A M Keane-Munday (appointed 12 July 2018)
B L Thorpe (appointed 6 August 2018)
D Zaman (resigned 21 September 2017)
S P Wombwell (resigned 21 September 2017)
N I Holmes (resigned 21 September 2017)
S Jackson (resigned 30 April 2018)
J M Gumpel (resigned 1 February 2018)

Company Secretary

S Broomfield (appointed on 21 September 2017)
S Jackson (resigned on 21 September 2017)

Trading Office

72 Welbeck Street, London, W1G 0AY

Registered Office

72 Welbeck Street, London, W1G 0AY

Registered Number

02621847

Independent Auditors

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors
7 More London Riverside, London, SE1 2RT

Bankers

The Royal Bank of Scotland plc
40 Islington High Street, London, N1 8JX

Report of the Directors

The directors present their Annual Report and audited Financial Statements for the Company for the year ended 30 June 2018. The Company has taken advantage of the exemption from preparing a Strategic Report as the Company is classified as a small company.

Directors

The directors of the Company who were in office during the year and up to the date of signing of the Annual Report and Financial Statements are listed on page 1.

Principal Activities and Business Review

The principal activity of the Company during the year was the provision of financial consulting services. The Company is a wholly owned subsidiary of Brooks Macdonald Group plc.

The Company's revenue for the year was £4,969,336 (2017: £5,211,034), a decrease of 5%. After allowing for administrative expenses of £10,727,041 (2017: £4,941,353), this produced an operating loss of £5,757,705 (2017: profit £269,681).

The Company has continued to deliver fee based financial planning and ancillary services to high net worth individuals and employee benefit consultancy to a range of small to medium sized enterprises.

Future developments

The directors consider that the best opportunities for the business lie in its financial planning services. The directors intend to focus on this through expansion of clients and proposition by continuing to offer high quality advice to high net worth individuals and families and working in collaboration with other professional advisers.

Financial risk managementCredit risk

The Company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

Financial risk

The Company does not actively use financial instruments as part of its financial risk management.

Liquidity risk

The Company maintains sufficient cash balances to enable it to meet its liabilities as they fall due.

Regulatory risk

The Company monitors actual and pending changes in regulations in order to assess the impact on the business of the Company and the Company plans to ensure that it has sufficient resources to implement any necessary changes.

Operational risk

The Company minimises this risk by continuously monitoring and reviewing the controls in place to ensure that these are adequate.

In addition, the Company's Pillar III disclosure is presented on the ultimate parent company's website at www.brooksmacdonald.com.

Results and Dividends

The loss for the financial year was £5,755,179 (2017: profit £413,211). During the year ended 30 June 2018, no dividends were paid. No final dividend was declared (2017: £nil).

It is proposed that the loss of £5,755,179 (2017 profit: £413,211) is to be transferred to reserves.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year and these remain in force at the date of the report.

Statement of Directors' Responsibilities 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they 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.

On behalf of the Board



B L Thorpe
Director

10 October 2018

Independent auditors' report
to the members of Brooks Macdonald Financial Consulting Limited

Report on the audit of the Financial Statements

Opinion

In our opinion, Brooks Macdonald Financial Consulting Limited's Financial Statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss 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 30 June 2018; the 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

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 on 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.

With respect to the Report of the Directors, 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.

**Independent auditors' report
to the members of Brooks Macdonald Financial Consulting Limited***Report of the Directors*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 30 June 2018 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 Report of the Directors.

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 3, 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

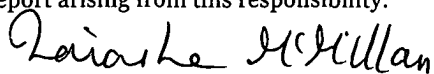
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 October 2018

Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	2018 £	2017 £
Revenue	3	4,969,336	5,211,034
Administrative expenses	4	(10,727,041)	(4,941,353)
(Loss) / profit before taxation	5	(5,757,705)	269,681
Tax on loss	7	2,526	143,530
Total comprehensive (loss) / income		(5,755,179)	413,211

Continuing operations

None of the Company's activities were acquired or discontinued during the above two financial years.

The notes on pages 9 to 17 form an integral part of these Financial Statements.

Statement of Financial Position
as at 30 June 2018

	Note	30 June 2018 £	30 June 2017 £
Assets			
Non-current assets			
Intangible assets	8	488,106	238,782
Property, plant and equipment	9	<u>3,369,636</u>	<u>2,826,845</u>
		<u>3,857,742</u>	<u>3,065,627</u>
Current assets			
Trade and other receivables	10	31,690,409	30,226,342
Cash at bank and in hand		<u>1,036,006</u>	<u>428,926</u>
		<u>32,726,415</u>	<u>30,655,268</u>
Current liabilities			
Trade and other payables	11	<u>(40,368,060)</u>	<u>(31,699,321)</u>
Net current liabilities		<u>(7,641,645)</u>	<u>(1,044,053)</u>
Total assets less current liabilities		<u>(3,783,903)</u>	<u>2,021,574</u>
Non-current liabilities			
Other payables	12	(4,423)	(5,635)
Provisions for liabilities	13	(11,074)	(250,004)
Net (liabilities) / assets		<u><u>(3,799,400)</u></u>	<u><u>1,765,935</u></u>
Equity			
Called up share capital	14	2,006	2,006
Share premium account		229,660	229,660
Capital contribution		304,666	990,335
(Accumulated losses) / retained earnings		(4,335,732)	543,934
Total equity		<u><u>(3,799,400)</u></u>	<u><u>1,765,935</u></u>

The Financial Statements on pages 6 to 17 were approved by the board of directors on 10 October 2018 and were signed on its behalf by:


B L Thorpe
Director

Company registered number: 02621847

The notes on pages 9 to 17 form an integral part of these Financial Statements.

Statement of Changes in Equity
for the year ended 30 June 2018

	Note	Called up share capital £	Share premium account £	Capital contribution £	Retained earnings/ (accumulated losses) £	Total equity £
At 1 July 2016	14	2,006	229,660	843,552	130,723	1,205,941
Profit for the financial year		-	-	-	413,211	413,211
Total comprehensive income		-	-	-	413,211	413,211
Share based payments charge	15	-	-	146,783	-	146,783
At 30 June 2017	14	2,006	229,660	990,335	543,934	1,765,935
Loss for the financial year		-	-	-	(5,755,179)	(5,755,179)
Total comprehensive loss		-	-	-	(5,755,179)	(5,755,179)
Share based payments charge	15	-	-	189,844	-	189,844
Share based payments transfer	15	-	-	(875,513)	875,513	-
At 30 June 2018	14	2,006	229,660	304,666	(4,335,732)	(3,799,400)

The notes on pages 9 to 17 form an integral part of these Financial Statements.

**Notes to the Financial Statements
for the year ended 30 June 2018****1. General information**

Brooks Macdonald Financial Consulting Limited ("the Company") is a limited company incorporated and domiciled in the United Kingdom.

2. Principal accounting policies

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The Company has taken advantage of the following disclosure exemptions available under FRS101, paragraphs 5 – 9, in respect of:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) IFRS 13 Fair Value measurement;
- (c) Share based payments; and
- (d) Intra-Group – related party transactions.

The exemptions have been applied on the basis that, where required, the equivalent disclosures are included in the consolidated financial statements of the parent company, Brooks Macdonald Group plc in which the Company is included. In applying the share-based payments exemption, the Company is not required to disclose a reconciliation of movements in share-based payment awards and these are instead included in the consolidated financial statement disclosures.

Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement under paragraph 8(h) of the disclosure exemptions from IFRS as adopted by the EU qualifying entities included in Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101). Brooks Macdonald Group plc, the parent company, consolidated financial statements for the year ended 30 June 2018 contain a consolidated statement of cash flows.

Judgements and key sources of estimation and uncertainty

The preparation of these Financial Statements requires management to make assumptions, estimates and judgements that effect the amounts reported as assets and liabilities as at the Statement of Financial Position date and the amounts reported as revenues and expenses during the year. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported. In this regard, management believes that accounting policies where judgement is necessary applied are those that relate to:

- (i) *Income tax*
Judgement is required in determining the provision for income taxes due to uncertainty of the amount of income tax that may be payable, and in respect of determining the level of the future taxable profits of the Company that support the recoverability of the deferred tax asset.
- (ii) *Provisions*
The Company may receive complaints from clients in relation to the services provided. Complaints are assessed on a case-by-case basis and provisions are made where it is judged to be likely that compensation will be paid. The accounting policy for provisions and contingent liabilities is outlined in note 2(j).

Going concern

These Financial Statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of listed investments and in accordance with the Companies Act 2006 and FRS101. The principal accounting policies of the Company which have been applied consistently throughout the year are set out below:

(a) Revenue

Financial services commissions and fees for other services are recognised when the related services are provided.

Notes to the Financial Statements
for the year ended 30 June 2018**2. Principal accounting policies (continued)****(b) Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Software development costs are recognised as an intangible asset and are amortised on a straight line basis over an estimated useful life of four years.

(c) Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of the assets to their residual value over their estimated useful lives, using the straight line method, on the following bases:

Fixtures and fittings	-	over 6.67 years
Equipment	-	over 5 years

(d) Taxation

Tax on the loss of the year comprises current and deferred tax and is recognised in the Statement of Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date. Deferred tax is measured on an undiscounted basis.

(e) Pension costs

Contributions in respect of the Company's money purchase pension scheme are charged to the Statement of Comprehensive Income for the year in which they fall due.

(f) Share-based payments

The Company operates a number of equity-settled, share based option plans and has applied the requirements of FRS101 in relation to share based payments. Equity settled share based payments in relation to the equity share of the parent company, Brooks Macdonald Group plc, are measured at fair value at the date of grant and the equity settled share based instrument is expensed on a straight line basis over the vesting period based on the number of shares that will eventually vest. The related credit is shown as a contribution from the parent company within equity reflective of the position that the Company has no obligation in respect of these share based payments. The transactions when the options are exercised are dealt within the parent company financial statements in accordance with IFRS2. No further charge to equity is made for the Company.

The Company has taken advantage of the IFRS2 disclosure exemptions available on the basis that the equivalent disclosures are included in the consolidated financial statements of the parent company, Brooks Macdonald Group plc in which the Company is included.

**Notes to the Financial Statements
for the year ended 30 June 2018****2. Principal accounting policies (continued)****(g) Trade receivables**

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. Doubtful receivables are provided for when the collection of the full amount is no longer probable, whilst bad receivables are written off when identified.

(h) Accrued Income

Turnover is recognised as it is earned in accordance with accounting policy (a) above. Where consideration is receivable after the Statement of Financial Position date, an appropriate accrual is made at the Statement of Financial Position date.

(i) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(j) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Where the outflow is not probable or cannot be reliably measured, the potential obligation is disclosed as a contingent liability in the Financial Statements.

Client compensation

Complaints are assessed on a case by case basis and provisions for compensation are made in accordance with the above accounting policy.

(k) Cash

Cash comprises cash in hand and cash on demand deposits which may be accessed without penalty. Cash equivalents comprise short term highly liquid investments with a maturity of less than three months from the date of acquisition.

(l) Foreign currency

The Financial Statements are presented in Great British Pound Sterling (£), which is the currency of the primary economic environment in which the Company operates, its functional currency.

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the Statement of Financial Position date. All differences on exchange are dealt with in the Statement of Comprehensive Income.

(m) Share Capital

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

Notes to the Financial Statements
for the year ended 30 June 2018**3. Revenue**

Revenue represents the amounts earned for services provided net of value added tax and commissions earned from financial services activities. All revenue is derived in the United Kingdom.

	2018 £	2017 £
Financial services commissions	4,691,628	5,028,637
Fee income	277,708	182,397
	4,969,336	5,211,034

4. Administrative expenses

Administrative expenses for the year ended 30 June 2018 included the write off of intercompany receivable balances of £5,673,443 (2017: nil) due to the disposal of a fellow group subsidiary. This charge was recognised in the Statement of Comprehensive Income. The parent company, Brooks Macdonald Group plc continues to support the operations of the Company and any losses incurred by the company.

5. (Loss) / profit before taxation

(Loss) / profit before taxation is stated after charging:

	2018 £	2017 £
Staff costs	2,460,755	2,806,741
Write off of intercompany receivable (see note 4)	5,673,443	-
Fees payable to the Company's auditors for the audit of the Company's Financial Statements:	21,321	20,700
Fees payable to the auditors and their associates for other services:		
– Audit-related assurance services	4,120	4,000
Depreciation	87,207	93,303
Amortisation of intangible assets	9,502	5,600

In note 8, the total amortisation charge for the year was £137,831 (2017: £114,364) of which £9,502 (2017: £5,600) relates to the Company, leaving a balance of £128,329 (2017 £108,764) which has been recharged to other group companies at nil mark up.

In note 9, the total depreciation charge for the year was £1,085,275 (2017: £973,318) of which £87,207 (2017: £93,303) relates to the Company, leaving a balance of £998,068 (2017 £880,015) which has been recharged to other group companies at nil mark up.

Notes to the Financial Statements
for the year ended 30 June 2018

6. Employee information

(a) Staff costs

	2018 £	2017 £
Wages and salaries	2,024,521	2,377,246
Social security costs	278,944	280,622
Other pension costs	109,010	99,124
Share based payments	48,280	49,749
	2,460,755	2,806,741
Pension contributions accrued but not paid	8,607	6,972

(b) Employees

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

	2018 number	2017 number
Professional staff	18	20
Administrative and support staff	16	12
	34	32

(c) Directors' emoluments

	2018 £	2017 £
Remuneration and benefits in kind	190,182	213,957
Amounts received under long term incentive schemes	-	1,395
Pension contributions – money purchase scheme	25,841	27,727
	216,023	243,078

The number of directors that exercised share option in the year was six (2017: four).

Retirement benefits are accruing to one (2017: two) director under a money purchase pension scheme.

Highest paid director

	2018 £	2017 £
Remuneration and benefits in kind	172,974	174,148
Pension contribution to money purchase scheme	25,841	27,030
	198,815	201,179

The amount of gains made by the highest paid director on the exercise of share options during the year was £320,395 (2017 loss: £17,671).

The remuneration of C M Connellan is paid by the ultimate parent company and the remuneration of A W Shepherd, D Zaman, S P Wombwell, N I Holmes and J M Gumpel is paid by fellow subsidiary companies. Their services to the Company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to other group companies. Accordingly, the above details include no remuneration in respect of these directors.

Notes to the Financial Statements
for the year ended 30 June 2018

7. Tax on loss

The tax credit on the (loss) / profit before taxation for the year was as follows:

	2018 £	2017 £
UK Corporation Tax	-	-
Total current tax	-	-
Deferred taxation credit	(2,526)	(143,530)
Income tax credit	(2,526)	(143,530)

Factors affecting credit for year:

(Loss) / profit before taxation	(5,757,705)	269,681
(Loss) / profit before taxation multiplied by the standard rate of tax in the UK of 19.00% (2017: 19.75%)	(1,093,964)	53,262
Expenses not deductible for tax purposes	1,085,326	3,925
Capital allowances in excess of depreciation	(152,218)	(236,408)
Tax losses surrendered	362,341	304,823
Impact of share based payments	(204,011)	(125,602)
Total tax credit	(2,526)	-

The deferred taxation credit of £2,526 (2017: £143,530) represents a charge of £5,748 (2017: £29,940 credit) arising out of the cost of share based payments at the Statement of Financial Position date and a credit of £8,274 (2017: £113,590) relating to accelerated capital allowances.

During the year, the Company has surrendered losses of £1,907,056 (2017: £3,734,461) as group relief to a fellow group company for a consideration of £nil.

During the year, the Company made a claim for income tax relief of £2,116,053 (2017: £2,191,053) relating to research and development expenditure for the year ending 30 June 2016. Group relief has been claimed for the losses arising from this expenditure against a fellow group company, Brooks Macdonald Asset Management Limited, for a consideration of £nil.

Deferred tax	2018 £	2017 £
Accelerated capital allowances	8,274	-
Other timing differences	65,174	70,922
Total deferred tax	73,448	70,922
At start of year	70,922	(72,608)
Deferred tax credit in the profit and loss for the year	2,526	143,530
At end of year	73,448	70,922

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

The standard rate of Corporation Tax in the UK changed to 19% with effect from 1 April 2017. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 19%.

The change in corporation tax rates to 17% effective from 1 April 2020 has been incorporated into the deferred tax balances.

Notes to the Financial Statements
for the year ended 30 June 2018

8. Intangible assets

	Software £
Cost	
At 1 July 2017	475,913
Additions	387,155
At 30 June 2018	863,068
Accumulated amortisation	
At 1 July 2017	237,131
Charge for the year	137,831
30 June 2018	374,962
Net book value	
At 30 June 2017	238,782
At 30 June 2018	488,106

Software additions during the year relate to development costs for asset management software.

9. Property, plant and equipment

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 July 2017	1,873,072	8,582,636	10,455,708
Additions	45,359	1,582,707	1,628,066
At 30 June 2018	1,918,431	10,165,343	12,083,774
Accumulated depreciation			
At 1 July 2017	1,522,342	6,106,521	7,628,863
Charge for the year	179,254	906,021	1,085,275
At 30 June 2018	1,701,596	7,012,542	8,714,138
Net book value			
At 30 June 2017	350,730	2,476,115	2,826,845
At 30 June 2018	216,835	3,152,801	3,369,636

10. Trade and other receivables

	2018 £	2017 £
Trade receivables	173,390	399,119
Amount owed by parent company	4,837,120	2,025,677
Amounts owed by fellow subsidiary companies	25,314,910	26,671,046
Deferred tax asset	73,448	70,922
Other receivables	373,638	187,306
Prepayments and accrued income	917,903	872,272
	31,690,409	30,226,342

The amounts owed by the parent company and fellow subsidiary companies represent unsecured loans, which are interest free and have no fixed repayment date.

Notes to the Financial Statements
for the year ended 30 June 2018

11. Trade and other payables

	2018 £	2017 £
Trade payables	1,991,405	1,100,798
Dividend payable	-	95
Amounts owed to fellow subsidiary companies	32,940,255	25,721,576
Other payables	158,744	147,663
Taxation and social security costs	2,338,207	1,967,981
Accruals and deferred income	2,939,449	2,761,208
	40,368,060	31,699,321

Included in accruals and deferred income is an accrual of £18,303 (2017: £31,529 in respect of employer's National Insurance Contributions arising from the share options awards arising under the Long Term Incentive Scheme ("LTIS") awards (note 15). These awards will be forfeited in total if the Company's performance fails to meet the minimum criteria. The options granted were valued based on the market price of the shares at the time the options were granted, which was calculated using the Black Scholes method, details of which are given in note 15. The total National Insurance Contribution credit in the year for all schemes was £49,724 (2017: charge £10,579).

The amounts owed to fellow subsidiary companies represent unsecured loans, which are interest free and have no fixed repayment date.

12. Other payables

	2018 £	2017 £
Other payables	4,423	5,635
	4,423	5,635

The non current liability is in relation to National Insurance contributions payable by the Company on the exercise of employee issued share options, see note 15.

13. Provisions for liabilities

Provisions for client compensation payments relate to the potential liability resulting from client complaints against the Company. The complaints are assessed on a case by case basis and provisions for compensation are made where it is, in the directors' view, more likely than not that a liability will arise. In those instances where it is concluded that a payment will be made, a provision is established to the management's best estimate of the amount required to settle the amount at the relevant Statement of Financial Position date. Given the uncertain nature of the complaints assessed on a case by case basis, the timing of expected payments are unknown.

	2018 £	2017 £
Client compensation provisions at beginning of the year	250,004	214,004
Charge for the year	214,141	47,425
Released during the year	(453,071)	(11,425)
Client compensation provisions at end of the year	11,074	250,004

14. Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid	2,006	2,006
40,125 (2017: 40,125) ordinary shares of 5p each		

**Notes to the Financial Statements
for the year ended 30 June 2018****15. Share Based Payments**

In accordance with FRS101 the Company's parent undertaking, Brooks Macdonald Group plc, granted share options to the Company's employees. The options granted to the Company's employees consist of a share save scheme, an enterprise management incentive scheme, a company share option plan and a long term incentive scheme, which were valued on the basis of market prices at the time the options were granted and were calculated using the Black Scholes method with volatility ranging between 25% and 30%, on a historic price, covering the period to vesting date. The expected volatility was estimated on the basis of the share price history subsequent to flotation. The risk free interest rate was assessed as the yield on a gilt edged security with a maturity term of three years. The options vest over a period of three years and are subject to continued employment with the group. The options were valued at prices up to £19.66 per share. The enterprise management scheme was fully exercised at 30 June 2018.

The weighted average remaining contractual life of share options at the end of the year was 1.57 years (2017: 1.05 years) and, for share options exercised during the year, the weighted average share price at the date of exercise was £20.04 (2017: £22.74). Exercise prices for these options ranged from £nil to £14.52 (2017: £nil to £14.52).

The equity share option cost in the year ended 30 June 2018 amounted to £189,844 (2017: £146,783) which included £141,563 (2017: £97,034) in respect of central department staff. The total direct share-based payment charge for the year was £50,308 (2017: £70,566).

16. Ultimate parent company

The immediate and ultimate parent undertaking and controlling party is Brooks Macdonald Group plc, which is the smallest and largest group to consolidate these Financial Statements. Copies of the consolidated financial statements can be obtained from the Company Secretary at 72, Welbeck Street, London, W1G 0AY.

17. Related party transactions

The Company is exempt under paragraph 8(k) of the disclosure exemptions from IFRS as adopted by the EU included in FRS101 for qualifying entities from disclosing related party transactions with entities that form part of the Brooks Macdonald Group plc of which Brooks Macdonald Financial Consulting Limited is a subsidiary.

18. Transactions with directors

The Company has a facility of providing interest free season ticket loans to the Company's employees, including the Company's directors. The following directors took advantage of this facility:

Director	2018 Loan Balance £	2017 Loan Balance £	2018 Maximum amount £	2017 Maximum amount £
S J Jackson	-	5,836	-	11,672

19. Contingent liabilities

A claim for unspecified losses has been made by a client against the Company in relation to alleged negligent financial advice. The claimant has not yet advised the quantum of their claim so it is not possible to reliably estimate the potential impact of a ruling in their favour. There remains significant uncertainty surrounding the claim and the Company's legal advice indicates that it is not probable that the claim will be upheld, therefore no provision for any liability has been recognised at this stage.

20. Events since the end of the year

No material events have occurred between the reporting date and the date of signing the Financial Statements.