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COMPANY REGISTRATION NUMBER: 04153343

FINANCIAL LIMITED

FINANCIAL STATEMENTS

31 March 2014

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OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 MARCH 2014

The board of directors	B Galvin R Warrington I Henson
Company secretary	I Henson
Registered office	Andoversford Business Park Andoversford Cheltenham Gloucestershire GL54 4LB
Auditors	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA
Bankers	HSBC Bank 109 Bath Road Cheltenham Gloucestershire GL53 7RA

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

Principal Activity

The principal activity of the company comprises of an independent financial advisers network. The company is regulated by the Financial Conduct Authority ('the FCA').

Directors

C A Llewellen Palmer (resigned 15 July 2014)
B Galvin
R Warrington
I Henson (appointed 4 September 2013)
P K Grigg (resigned 29 January 2014)
A Evans (resigned 12 July 2013)

The present directors are shown above, all served on the board throughout the year, unless otherwise stated.

Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware; and

- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

Approved by the board of directors
and signed on behalf of the board

I Henson
Company Secretary

Date: 30 July 2014

Company registration number 04153343

BUSINESS REVIEW

Results for the year and dividends

The company's loss for the year after taxation was £120,481 (2013: £28,193). The directors recommended no dividend be paid (2013: £nil).

Performance and Growth

The difficult trading conditions continued in 2014. The Board decided it should write off its intangible assets in full which has resulted in a loss. The challenging market conditions in a post RDR environment are affecting all IFAs as fee charging becomes fully understood by the clients. This presents the opportunity to explore new income streams and improve efficiency.

Key Performance Indicators (KPIs)

The main measure used by management is the quality of service provided to customers. This is measured by customer feedback.

Future Developments

The company continues to monitor the current economic climate with a view to ensuring the best service can be provided to its customers.

Principal Risks and uncertainties

The Company operates as an IFA network and, in so doing, is responsible for the compliance of product sales and advice to the end customer. These activities are subject to regulation by the FCA. The risks manifest themselves through compensation payable and breaches imposed by the FCA for regulatory breaches. The Company operates under a strict regulatory regime and to mitigate the risk has arranged professional indemnity insurance. The company is subject to clawbacks when indemnity products become repayable, these are recharged to advisors wherever possible. The company monitors this activity and financial stability of the advisors to service the clawback. The critical accounting estimates are in note 2.

Financial risk management

Principal financial risks to the business are reviewed and monitored day to day by the directors. The internal controls used are designed to manage and mitigate risk wherever it is reasonable. The following financial risks have been identified:

Credit risk

The company's credit risk is primarily attributable to its trade receivables. The company has implemented policies that require appropriate credit checks on potential customers before services are made. The amount of exposure to any individual counterparty is subject to review at a senior level.

Interest rate risk

The company has interest bearing assets, comprising only cash and cash equivalents which earn interest at a variable rate.

Liquidity risk

The company monitors its levels of working capital to ensure that it can meet its debts as they fall due.

Financial risk management (continued)

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The company defines capital as being share capital plus reserves. It is required to meet the capital regulatory requirements of the FCA at all times. The company's Pillar 3 disclosure is included within its parent company's group Pillar 3 disclosure, which is publicly available via the group's website.

CRD IV disclosure

The Capital Requirements Directive IV (CRD IV) requires Country by Country Reporting (CBCR). However, all turnover is derived from the UK and the Company has no establishments overseas. The requirement is therefore met by the information disclosed within these financial statements.

Approved by the board of directors
and signed on behalf of the board

I Henson
Company Secretary

Date: 30 July 2014

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the European Union;
- 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Nexia Smith & Williamson

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FINANCIAL LIMITED FOR THE YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Financial Limited for the year ended 31 March 2014 which comprise the Income Statement and the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2014 and of the company's loss for the year then ended;
- the company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure in note 2 of the financial statements concerning the company's ability to continue as a going concern, which is dependent upon the impact of the recruitment ban recently imposed by the Financial Conduct Authority on the company and the securing of an investment into the Group that will satisfy its commercial and regulatory capital requirements. These conditions indicate the existence of a material uncertainty which may cause significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FINANCIAL LIMITED FOR THE YEAR ENDED 31 MARCH 2014 (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Nexia Smith & Williamson

Jonathan Talbot
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: 30/7/14

FINANCIAL LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014	*2013*
		£	*£*
Revenue	2	35,305,850	*30,818,664*
Cost of sales		(32,433,848)	*(27,752,193)*
GROSS PROFIT		2,872,002	*3,066,471*
Administrative expenses		(2,794,764)	*(3,096,647)*
Impairment of Intangible assets		(190,361)	*-*
OPERATING LOSS	3	(113,123)	*(30,176)*
Finance costs	6	(3,226)	*(3,776)*
Other non-operating income		10,847	*33,772*
LOSS BEFORE TAX AND EXCEPTIONAL ITEMS		(105,502)	*(180)*
FSCS charges	2	-	*(48,985)*
LOSS BEFORE TAX		(105,502)	*(49,165)*
Taxation	7	(14,979)	*20,972*
LOSS FOR THE FINANCIAL YEAR		(120,481)	*(28,193)*

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2014

	2014	*2013*
	£	*£*
LOSS FOR THE FINANCIAL YEAR	(120,481)	*(28,193)*
Other comprehensive income	-	*-*
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR	(120,481)	*(28,193)*

All activities are classed as continuing.

The notes on pages 14 to 29 form part of these accounts.

FINANCIAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014

	Issued share capital	Retained earnings	Total equity
	£	**£**	**£**
Balance at 1 April 2013	**144,000**	**990,751**	**1,134,751**
Issue of shares	**250,000**	**-**	**250,000**
Total comprehensive loss for the year	**-**	**(120,481)**	**(120,481)**
Balance at 31 March 2014	**394,000**	**870,270**	**1,264,270**

	Issued share capital	Retained earnings	Total equity
	£	**£**	**£**
Balance at 1 April 2012	*106,600*	*1,018,944*	*1,125,544*
Issue of shares	*37,400*	-	*37,400*
Total comprehensive loss for the year	-	*(28,193)*	*(28,193)*
Balance at 31 March 2013	*144,000*	*990,751*	*1,134,751*

The notes on pages 14 to 29 form part of these accounts.

FINANCIAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Notes	2014	*2013*
		£	*£*
ASSETS			
NON CURRENT ASSETS			
Plant and equipment	8	**51,716**	*63,738*
Intangible assets	9	-	*190,361*
		51,716	*254,099*
CURRENT ASSETS			
Trade and other receivables	12	**3,299,132**	*4,306,736*
Cash and cash equivalents	13	**1,486,031**	*959,981*
Corporation tax repayable	7	-	*9,573*
		4,785,163	*5,276,290*
TOTAL ASSETS		**4,836,879**	*5,530,389*
EQUITY AND LIABILITIES			
EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS			
Issued share capital	14	**394,000**	*144,000*
Retained earnings		**870,270**	*990,751*
TOTAL EQUITY		**1,264,270**	*1,134,751*
CURRENT LIABILITIES			
Bank overdraft		-	*78,649*
Trade and other payables	15	**724,522**	*932,747*
Corporation tax payable	7	**20,175**	-
Provisions for liabilities and charges	16	**2,827,912**	*3,384,242*
TOTAL LIABILITIES		**3,572,609**	*4,395,638*
TOTAL EQUITY AND LIABILITIES		**4,836,879**	*5,530,389*

Approved by the Board on 30 July 2014
and signed on its behalf by

B Galvin - Director

The notes on pages 14 to 29 form part of these accounts.

FINANCIAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	(113,123)	(30,176)
ADJUSTMENTS FOR:		
FSCS charges	-	(48,985)
Depreciation	19,456	21,614
Impairment of intangibles	190,361	-
Decrease / (Increase) in trade and other receivables	1,007,604	(1,484,802)
(Decrease) / Increase in trade, other payables and provisions	(764,555)	1,451,853
NET CASH GENERATED FROM/(USED IN) OPERATIONS	339,743	(90,496)
Tax received / (paid)	14,769	(39,641)
	354,512	(130,137)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire plant and equipment	(7,434)	(3,699)
Interest received	10,847	33,772
NET CASH FLOWS GENERATED IN INVESTING ACTIVITIES	3,413	30,073
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	250,000	37,400
Interest paid	(3,226)	(3,776)
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	246,774	33,624
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	604,699	(66,440)
Cash and cash equivalents, including bank overdrafts, as at 1 April	881,332	947,772
CASH AND CASH EQUIVALENTS, INCLUDING BANK OVERDRAFTS, AS AT 31 MARCH	1,486,031	881,332

The notes on pages 14 to 29 form part of these accounts.

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS

The company's financial statements for the year were authorised for issue on 30 July 2014 and the statement of financial position signed on the board's behalf by B Galvin. Financial Limited is a limited company incorporated and domiciled in England & Wales.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the company are set out in note 2.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Going Concern

The directors have considered the company's cashflow requirements during the year and the potential impact of the recent recruitment ban imposed by the FCA. The directors are in discussion with a third party over a potential investment into the group. The directors believe that the additional investment will enable the company and group to meet their commercial and regulatory capital requirements for the foreseeable future.

However, the directors have concluded that the above factors do constitute a material uncertainty that casts doubt upon the company's ability to continue as a going concern.

Notwithstanding these matters, after considering the uncertainty described above, the directors have a reasonable expectation that the company shall be able to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. All such revenue is reported net of discounts and value added and other sales taxes. Revenue represents gross commissions in respect of the period and it is recognised as they are earned on a monthly basis.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2. ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Employment benefits

Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including non-monetary benefit and annual leave obliged to be settled within 12 months of the balance sheet date, are recognised in accruals.

Contributions to defined contribution pension plans are charged to the income statement in the period to which the contributions relate.

Equipment

Items of equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives net of any residual value, using the straight line method, on the following bases:

Computer equipment	4 years
Office equipment	7 years

The Financial Service Compensation Scheme (FSCS) levy

As a regulated Company, the Company pays levies to the Financial Services Compensation Scheme (FSCS) to enable the FSCS to meet compensation claims. The FSCS has or will meet the claims by way of loans received from HM Treasury and the Company provides for its share of the interest costs associated with the loans and for the management expenses of the scheme. A provision is recognised to the extent it can be reliably estimated for the obligation based on information from HM Treasury, forecasted future interest rates and the Company's share of industry protected deposits. The amounts provided do not take account of any compensation levies which may arise from any ultimate payout on claims.

Complaints' provision

The Group has an obligation to settle upheld complaints. Any complaint is recorded and assessed as to its validity and financial quantum. Complaints are assessed on the likelihood of redress being made and provided on this probability. Save for the excess, which is recoverable from the adviser. Recoverability is assessed on an adviser by adviser basis and provision is made where necessary.

2. ACCOUNTING POLICIES (continued)

Provision for Clawback on Indemnity commissions earned

The company provides for 2.5% of commissions earned and as any clawbacks which arise are deemed fully recoverable from the relevant Appointed Representatives of the company.

Intangible assets

The transfers of the contracts with appointed representatives from Investments Limited, have been capitalised at their fair value based on the anticipated income stream over the expected life and discounted at the current cost of external funding. Intangible assets are assessed for impairment annually. Any impairment charge is recognised in the Income Statement.

Trade and other receivables

Trade and other receivables are recognised by the company initially at fair value and subsequently measured at amortised cost using the effective interest method less an allowance for any uncollectible or impaired amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable and the provision is recognised in the income statement. Bad debts are written off to the income statement when they are identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term deposits. Short term deposits are defined as deposits with an initial maturity of twelve months or less.

Bank overdrafts are repayable on demand and are included as a component of cash and cash equivalents for the purposes of the cash flow statement. Bank overdrafts are initially recorded at fair value and subsequently carried at amortised cost. Finance costs are accounted for on an accruals basis in the income statement using the effective interest rate method. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity

An equity instrument is a contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Equity comprises the following:

- "Issued share capital" represents amounts subscribed for shares at nominal value.
- "Retained earnings" represents the accumulated profits and losses attributable to equity holders.

2. ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year end date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements

The directors do not believe the company has any critical accounting judgements in producing these financial statements.

Key sources of estimation uncertainty

The directors consider the following to be key sources of estimation uncertainty:

- Measurement of the recoverable amount of trade receivables

  A provision for impairment of trade receivables is established when there is no objective evidence that the company will be able to collect all amounts due according to the original terms. The company considers factors such as default or delinquency in payment, significant financial difficulties of the debtor and the probability that the debtor will enter bankruptcy in deciding whether the trade receivable is impaired.

- Measurement of complaints and clawback provisions

  The Directors have applied their knowledge and experience of the industry in determining the level and rates of provisioning required. In the assessment of provisions, the Directors consider the recoverability of redress from the advising firm and apply an overall estimate based on past experience.

- Impairment of intangible assets

  A provision for impairment of intangibles is established when the fair value based on the anticipated income stream over the expected life and discounted at the current cost of external funding company does not support the recognised asset.

Estimates and judgments are continually evaluated and are based on historical experience, external advice and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. ACCOUNTING POLICIES (continued)

Standards, amendments and interpretations to existing standards that are not yet effective or have not been early adopted by the company

At the date of authorisation of these financial statements, the IASB and IFR Interpretations Committee have issued standards, interpretations and amendments which are applicable to the company. Whilst these standards, interpretations and amendments are not effective for, and have not been applied in the preparation of, these financial statements, the following may have a material impact going forward.

Standard	Amendment	Effective Date	Adopted by EU	Impact
IFRS 15	Revenue from Contracts with Customers	1 January 2017	Not yet	To be evaluated
IFRS 9	Financial instruments	1 January 2015	Not yet	No material impact
IFRS 10	Consolidated Financial Statements	1 January 2014	Yes	No material impact
IFRS 11	Joint Arrangements	1 January 2014	Yes	No material impact
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014	Yes	Disclosure only

3. OPERATING LOSS

Operating loss is stated after charging the following:

	2014	*2013*
	£	*£*
Cost of commissions recognised as an expense	**31,184,374**	*26,726,330*
Depreciation of plant and equipment	**19,456**	*21,614*
Impairment of intangibles	**190,361**	-

Auditors' remuneration		
- Fees payable to the company's auditors and their associates for the audit of the company's annual accounts	**15,500**	*27,000*

Fees payable to the company's auditors and its associates for non-audit services are not disclosed in Financial Ltd's accounts because the consolidated accounts of Financial Ltd's parent, Standard Financial Group Plc, are required to disclose such fees on a consolidated basis.

4. EMPLOYEE EXPENSES

	2014	2013
	£	£
Wages and salaries	1,395,732	1,543,317
Pension contributions	5,955	6,273
Social security costs	145,184	163,004
	1,546,871	1,715,594

The average number of employees, including directors, during the year was:

	2014	2013
	No.	No.
Average number of employees	41	45

5. DIRECTORS' EMOLUMENTS

	2014	2013
	£	£
Emoluments	353,320	444,556
Pension contributions	3,046	3,876
Highest paid director		
Emoluments	100,000	100,000
Pension contributions	1,713	-

6. FINANCE COSTS

	2014	2013
	£	£
Bank charges and interest paid on bank overdrafts	3,226	3,776

7. TAXATION

	2014 £	*2013 £*
Current tax	20,175	-
Prior year adjustment	(5,196)	*(20,972)*
	14,979	*(20,972)*

The charge for the year can be reconciled to the loss per the income statement as follows:

	2014 £	*2013 £*
Loss on ordinary activities before tax	(105,502)	*(49,165)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013: 20%)	(24,265)	*(9,833)*
Tax effect of capital allowances	1,679	*2,871*
Short-term timing differences	251	-
Marginal relief	(1,542)	-
Losses carried back	-	*6,962*
Expenses not deductible for tax purposes	44,052	-
Adjustment in respect of prior year	(5,196)	*(20,972)*
	14,979	*(20,972)*

As at 31 March 2014, the company had no recognised deferred tax in the current or previous year and an unrecognised deferred tax asset of £32,709 (2013: £8,541).

8. PLANT AND EQUIPMENT

	Computer and office equipment £
Cost	
At 1 April 2013	237,314
Additions	7,434
At 31 March 2014	244,748
Depreciation	
At 1 April 2013	(173,576)
Charge for year	(19,456)
At 31 March 2014	(193,032)
Net book value	
At 1 April 2013	63,738
At 31 March 2014	**51,716**

	Computer and office equipment £
Cost	
At 1 April 2012	233,615
Additions	3,699
At 31 March 2013	237,314
Depreciation	
At 1 April 2012	(151,962)
Charge for year	(21,614)
At 31 March 2013	(173,576)
Net book value	
At 1 April 2012	81,653
At 31 March 2013	63,738

9. INTANGIBLE ASSETS

	2014 £	*2013* *£*
Contracts capitalised		
Cost		
At 1 April 2013	190,361	*190,361*
At 31 March 2014	190,361	*190,361*
Impairment		
At 1 April 2013	-	-
Charge for the year	190,361	-
At 31 March 2014	190,361	-
Net book value		
At 1 April 2013	190,361	*190,361*
At 31 March 2014	-	*190,361*

The recoverable amount of the intangible asset is based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a three year period, in accordance with the expected life of the contracts. Gross margins and profitability consistent with prior years are assumed going forward along with a pre-tax discount rate of 8% consistent with the market rate at which the group can secure external borrowings. Based on these calculations, an impairment charge of £190,361 has been recognised for the year ended 31 March 2014 (2013: £nil), reducing the carrying value to £nil.

10. FINANCIAL INSTRUMENTS

The company's financial instruments comprise of cash and cash equivalents and items such as trade payables and trade receivables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations.

The company's operations expose it to a variety of financial risks including market, credit, interest rate and liquidity risks. The management of these risks is vested in the Board of Directors.

Market risk

The most significant area of market risk to which the company is exposed is interest rate risk.

Interest rate risk

The principal impact to the company is the result of interest-bearing cash and cash equivalent balances, including bank overdrafts, as set out below:

	Floating rate 2014 £	*Floating rate 2013 £*
Cash and cash equivalents, net of overdrafts	**1,486,031**	*881,332*

The directors do not consider that a reasonable movement in interest rates would have a material impact on the financial statements as at 31 March 2014 and 31 March 2013.

Credit risk

The company's credit risk is primarily attributable to its trade receivables and cash and cash equivalents. The company has implemented policies that require appropriate credit checks on customers and counterparties.

The carrying amount of financial assets represents the maximum credit exposure. As at 31 March 2014 the company had an exposure to credit risk of £3,887,045 (2013: £4,513,844).

Liquidity risk

The company seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company deems there is sufficient liquidity for the foreseeable future.

Trading liabilities have not been analysed by contractual maturity because trading assets and liabilities are typically held for short periods of time.

10. FINANCIAL INSTRUMENTS (continued)

The company had cash and cash equivalents, net of bank overdrafts, at 31 March 2014 as set out below:

	2014	2013
	£	£
Cash and cash equivalents, net of overdrafts	1,486,031	881,332

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The company defines capital as being share capital plus reserves. The Board of Directors monitors the level of capital as compared to the company's debt commitments and adjusts the ratio of debt to capital as is determined to be necessary, by issuing new shares, reducing or increasing debt, paying dividends and returning capital to shareholders.

The company is subject to capital requirements externally imposed by the FCA. The company was in compliance with the capital requirements set by the FCA throughout the year.

In calculating capital, the company's capital is analysed into Tier 1. Tier 1 capital is the core measure of a company's financial strength from a regulator's point of view. It consists of the types of financial capital considered the most reliable and liquid, primarily being shareholders' equity. The company's Tier 1 capital consists of share capital and retained earnings.

The company's regulatory position is set out below. There have been no changes in the company's management of capital during the year.

	2014	2013
	£	£
Issued share capital	394,000	144,000
Retained earnings	870,270	990,751
Total tier 1 capital and regulatory capital	1,264,270	1,134,751

11. RELATED PARTY TRANSACTIONS

During the year the company entered into the following transactions with other companies related by virtue of being in the same group.

Company	Income/ (expenses) £	Narrative	Closing receivable £
Investments Limited	**45,622**	Loan interest and staff costs	-
IFA Compliance Limited	**135,773**	Staff costs and office expenses	-
IFA Compliance Limited	**(96,900)**	Property recharge	-
Standard Financial Group plc	**250,000**	Increase in share capital	-
Standard Financial Group plc	**25,650**	Professional fees	-
IFA Compliance Limited	-	Intercompany balance	**361,343**
Standard Financial Group plc	-	Intercompany balance	**40,206**
Investments Limited	-	Intercompany balance	**31,500**

Comparatives for the year ended 31 March 2013, were as follows:

Company	Income/ (expenses) £	Narrative	Closing receivable £
Investments Limited	37,896	Loan interest and staff costs	-
IFA Compliance Limited	111,390	Staff costs	-
IFA Compliance Limited	(96,900)	Property recharge	-
IFA Compliance Limited	-	Intercompany balance	295,915
Standard Financial Group plc	-	Intercompany balance	14,556
Investments Limited	-	Intercompany balance	31,500

12. TRADE AND OTHER RECEIVABLES

	2014	*2013*
	£	*£*
Trade receivables	2,401,014	*3,632,512*
Amounts due from fellow group companies	433,049	*343,619*
Other receivables	78,354	*45,515*
Prepayments	386,715	*285,090*
	3,299,132	*4,306,736*

Trade receivables constitute financial assets within the category "Loans and receivables" as defined by IAS 39.

Amounts receivable from trade customers are non-interest bearing and are generally on 30 - 90 day terms. Due to their short maturities, the directors consider the fair value of trade receivables to approximate their carrying value.

As at 31 March 2014, trade and other receivables with a value of £129,925 (2013: £nil) were impaired and £125,118 (2013: £nil) were past due but not impaired. The company believes that it has no significant concentration of credit risk as there are no customers who hold a significant element of the total balance of trade receivables.

A provision for impairment of trade and other receivables is established when there is no objective evidence that the company will be able to collect all amounts due according to the original terms. The company considers factors such as default or delinquency in payment, significant financial difficulties of the debtor and the probability that the debtor will enter bankruptcy, in deciding whether the trade receivable is impaired.

13. CASH AND CASH EQUIVALENTS

	2014	*2013*
	£	*£*
Cash at bank	536,031	*558,430*
Deposits held	950,000	*401,551*
	1,486,031	*959,981*

Cash and cash equivalents constitute financial assets within the category "Loans and receivables" as defined by IAS 39.

For the purposes of the cash flow statement, cash and cash equivalents include bank overdrafts. The directors consider that the carrying amount of these assets approximates to their fair value. The credit risk on liquid funds is limited because the counter-parties are banks with high credit ratings.

14. ISSUED SHARE CAPITAL

	2014	*2013*
Allotted, called up and fully paid:	**£**	*£*
1 April		
144,000 ordinary shares of £1 each	**144,000**	*106,600*
Issue of share capital		
250,000 ordinary shares of £1 each	**250,000**	*37,400*
31 March		
394,0000 ordinary shares of £1 each	**394,000**	*144,000*

On 26 March 2014, the Company issued to Standard Financial Group plc 250,000 shares with a nominal value of £1 per share for consideration of £1 per share.

15. TRADE AND OTHER PAYABLES

	2014	*2013*
	£	*£*
Trade payables	**394,332**	*335,854*
Other payables	**98,350**	*157,811*
Accruals	**231,840**	*439,082*
	724,522	*932,747*

The Directors consider that the carrying amount of trade payables, group balance, other payables and accruals approximates to their fair value.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Clawback of indemnity commission	Complaints provision	Total
	£	£	£
At 1 April 2013	45,515	3,338,727	3,384,242
Charged to the income statement	30,687	992,439	1,023,126
Utilised during the year	-	(1,647,176)	(1,647,176)
Intercompany liability transferred	-	67,720	67,720
At 31 March 2014	76,202	2,751,710	2,827,912

Provision for clawback of indemnity commission
The provision for clawback of indemnity commission represents the expected cost of clawbacks from product providers for subsequent policy cancellations and mid term adjustments in respect of policies written at 31 March 2014. The amount represents the gross obligation and, where these amounts can be recovered from network members a corresponding asset is recognised. At 31 March 2014, the amount recognised within trade and other receivables were £76,202 (2013: £45,515).

Complaints provision
The complaints provision represents the expected cost of settling claims from clients and the amount represents the gross obligation and where these amounts can be recovered from network members and insurers a corresponding asset is recognised. At 31 March 2014, the amount recognised within trade and other receivables was £1,969,703 (2013: £2,837,278).

17. CONTROLLING PARTY

The company is controlled by Standard Financial Group Plc by virtue of its 100% shareholding. The ultimate controlling party is C A Llewellen Palmer, a director of the company.

18. CONTINGENT LIABILITIES

The Directors believe that the Customer complaint provisions are sufficient to cover any redress payments that may become payable. Where these can be reliably and accurately estimated the company provides for any costs arising from specific regulatory reviews as well as complaints from consumers, both received and anticipated.

19. OPERATING LEASE COMMITMENTS

At the year end date, the company has lease agreements in respect of property and office equipment for which the payments extend over a number of years:

Due:	**2014** **£**	*2013* *£*
Within one year	**14,031**	*16,433*
Within two to five years	**30,094**	*42,135*
	44,125	*58,568*