

Company Registration No. 06462818 (England and Wales)

**LONDON WEALTH MANAGEMENT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2018**

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# **LONDON WEALTH MANAGEMENT LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	J P Hoban B J Howland E T Tudor
<b>Secretary</b>	J P Hoban
<b>Company number</b>	06462818
<b>Registered office</b>	Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
<b>Auditor</b>	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
<b>Business address</b>	6 Kingly Street London W1B 5PF

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# **LONDON WEALTH MANAGEMENT LIMITED**

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# LONDON WEALTH MANAGEMENT LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 JANUARY 2018**

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The directors present the strategic report for the year ended 31 January 2018.

### **Fair review of the business**

The financial year ended 31 January 2018 has proved a strong year for the business, with a 16% increase in revenue and a modest increase in underlying expenditure. Client portfolios have continued to perform well and remain within their agreed asset allocated risk mandates. This is in addition to our commitment to face-to-face client meetings to regularly review objectives, underlying attitudes to investment risk, resulting in appropriate asset allocation and allows us to deliver positive client outcomes.

The year focussed on the successful implementation of internal changes required by the MiFID II legislation effective from 3 January 2018.

As a BIPRU regulated firm, the company continues to be capitalised in excess of regulatory imposed minimum capital adequacy requirements.

### **Principal risks**

Management continue to formally meet quarterly to regularly plan and control principal risks that affect the business, namely:

- **Capital adequacy:**
  - It is essential for us to retain access to the requisite amount of funds at all times, as outlined in our Internal Capital Adequacy Assessment report (ICAAP)
- **Client retention and suitability of ongoing advice:**
  - As a cornerstone of our compliant services, we maintain a strong Training & Competence review system and culture in order to provide the highest levels of professional advice to clients.
- **Asset allocation and adherence to investment mandates:**
  - Our discretionary management service require us to adhere to a robust asset allocation methodology on each investment mandate; the asset allocation details are regularly reviewed and reported at each quarterly Investment Committee meeting.

Uncertainties in the stock market continue, resulting in anticipated greater volatility in client portfolios, but management look to evaluate risks on an ongoing basis via our robust risk analysis of underlying portfolios.

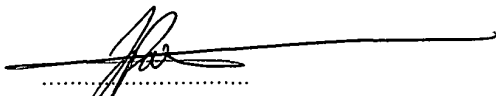
### **Key performance indicators**

Internal management accounts and cash flow forecasts are reviewed on a monthly basis and are considered a sufficient and suitable indicator of our underlying business position and performance.

### **Future outlook**

The company looks forward to a modest increase in staff numbers to aide planned increases in client numbers that require our bespoke financial planning led discretionary investment services.

On behalf of the board

  
.....  
J P Hoban  
Director  
7/3/18  
.....

# **LONDON WEALTH MANAGEMENT LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2018**

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The directors present their annual report and financial statements for the year ended 31 January 2018.

#### **Principal activities**

The principal activity of the company continued to be that of provision of financial services.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J P Hoban  
B J Howland  
E T Tudor

#### **Results and dividends**

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £564,000. The directors do not recommend payment of a final dividend.

#### **Auditor**

The auditor, Mercer & Hole, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**LONDON WEALTH MANAGEMENT LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

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On behalf of the board

A handwritten signature in black ink, appearing to be 'J P Hoban', written over a horizontal dotted line.

J P Hoban

Director

Date: 7/5/18

## **LONDON WEALTH MANAGEMENT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF LONDON WEALTH MANAGEMENT LIMITED**

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##### **Opinion**

We have audited the financial statements of London Wealth Management Limited (the 'company') for the year ended 31 January 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**LONDON WEALTH MANAGEMENT LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF LONDON WEALTH MANAGEMENT LIMITED**

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**Matters on which we are required to report by exception**

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Cassidy FCA (Senior Statutory Auditor)**  
for and on behalf of Mercer & Hole

*7/3/18*

**Chartered Accountants**  
**Statutory Auditor**

Batchworth House  
Batchworth Place  
Church Street  
Rickmansworth  
Hertfordshire  
WD3 1JE



**LONDON WEALTH MANAGEMENT LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 JANUARY 2018**

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	Notes	2018 £	2017 £
Turnover	2	1,605,064	1,384,918
Administrative expenses		(759,453)	(708,713)
<b>Operating profit</b>	<b>3</b>	<b>845,611</b>	<b>676,205</b>
Interest receivable and similar income	7	1,176	959
<b>Profit before taxation</b>		<b>846,787</b>	<b>677,164</b>
Tax on profit	8	(165,043)	(143,300)
<b>Profit for the financial year</b>		<b>681,744</b>	<b>533,864</b>

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The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

**LONDON WEALTH MANAGEMENT LIMITED**

**BALANCE SHEET**

**AS AT 31 JANUARY 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	10		3,488		3,732
<b>Current assets</b>					
Debtors	12	37,056		49,695	
Cash at bank and in hand		652,483		507,383	
		<u>689,539</u>		<u>557,078</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(267,762)</u>		<u>(253,289)</u>	
<b>Net current assets</b>			421,777		303,789
<b>Total assets less current liabilities</b>			<u>425,265</u>		<u>307,521</u>
<b>Capital and reserves</b>					
Called up share capital	15		150,000		150,000
Profit and loss reserves			275,265		157,521
<b>Total equity</b>			<u>425,265</u>		<u>307,521</u>

The financial statements were approved by the board of directors and authorised for issue on 7/3/18 and are signed on its behalf by:

  
J P Hoban  
Director

  
B J Howland  
Director

**Company Registration No. 06462818**

**LONDON WEALTH MANAGEMENT LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 JANUARY 2018**

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 February 2016</b>		150,000	127,657	277,657
<b>Year ended 31 January 2017:</b>				
Profit and total comprehensive income for the year		-	533,864	533,864
Dividends	9	-	(504,000)	(504,000)
<b>Balance at 31 January 2017</b>		150,000	157,521	307,521
<b>Year ended 31 January 2018:</b>				
Profit and total comprehensive income for the year		-	681,744	681,744
Dividends	9	-	(564,000)	(564,000)
<b>Balance at 31 January 2018</b>		150,000	275,265	425,265

**LONDON WEALTH MANAGEMENT LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 JANUARY 2018**

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18	848,539		697,467	
Income taxes paid		(139,193)		(123,074)	
<b>Net cash inflow from operating activities</b>		<b>709,346</b>		<b>574,393</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,236)		(2,287)	
Issue of other loans		(186)		(911)	
Interest received		1,176		959	
<b>Net cash used in investing activities</b>			<b>(246)</b>		<b>(2,239)</b>
<b>Financing activities</b>					
Dividends paid		(564,000)		(504,000)	
<b>Net cash used in financing activities</b>			<b>(564,000)</b>		<b>(504,000)</b>
<b>Net increase in cash and cash equivalents</b>			<b>145,100</b>		<b>68,154</b>
Cash and cash equivalents at beginning of year		507,383		439,229	
<b>Cash and cash equivalents at end of year</b>		<b>652,483</b>		<b>507,383</b>	

# **LONDON WEALTH MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2018**

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### **1 Accounting policies**

#### **Company information**

London Wealth Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is Batchworth House, Batchworth Place, Church Street, Rickmansworth, Hertfordshire, WD3 1JE.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the principal accounting policies adopted as set out below. These policies have been consistently applied to all years presented.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents invoiced sales of financial services, excluding value added tax.

Revenue from contracts for the provision of financial services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is measured by reference to the invoicing period specified in client specific contracts. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## LONDON WEALTH MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# **LONDON WEALTH MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

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### **1 Accounting policies**

**(Continued)**

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### **1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### **1.9 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 reporting end date.

# LONDON WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

All pension costs relate to contributions the company makes into personal pension schemes. Contributions payable are charged to the profit and loss account in the period to which they relate.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Financial services	1,605,064	1,384,918
	<u>          </u>	<u>          </u>
	2018 £	2017 £
<b>Other significant revenue</b>		
Interest income	1,176	959
	<u>          </u>	<u>          </u>



**LONDON WEALTH MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

**3 Operating profit**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,480	2,434
Operating lease charges	44,637	63,730
	<u>46,117</u>	<u>66,164</u>

**4 Auditor's remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	6,500	6,000
	<u>6,500</u>	<u>6,000</u>

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Directors	3	3
Employees	7	6
	<u>10</u>	<u>9</u>

Their aggregate remuneration comprised:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	407,757	348,104
Social security costs	42,475	35,248
Pension costs	26,874	16,332
	<u>477,106</u>	<u>399,684</u>

**6 Directors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	41,865	40,622
	<u>41,865</u>	<u>40,622</u>

The directors of the company are the sole key management personnel.

**LONDON WEALTH MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

**7 Interest receivable and similar income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	1,176	959
	<u>1,176</u>	<u>959</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,176	959
	<u>1,176</u>	<u>959</u>

**8 Taxation**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	169,151	143,300
Adjustments in respect of prior periods	(4,108)	-
	<u>165,043</u>	<u>143,300</u>
<b>Total current tax</b>	<u>165,043</u>	<u>143,300</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit before taxation	846,787	677,164
	<u>846,787</u>	<u>677,164</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.16% (2017: 20.00%)	162,244	135,433
Tax effect of expenses that are not deductible in determining taxable profit	6,915	7,889
Change in unrecognised deferred tax assets	(22)	-
Adjustments in respect of prior years	(4,108)	-
Effect of change in corporation tax rate	14	-
Permanent capital allowances in excess of depreciation	-	(22)
	<u>165,043</u>	<u>143,300</u>
<b>Taxation charge for the year</b>	<u>165,043</u>	<u>143,300</u>

**9 Dividends**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interim paid	564,000	504,000
	<u>564,000</u>	<u>504,000</u>

**LONDON WEALTH MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

**10 Tangible fixed assets**

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 February 2017	31,644
Additions	1,236
	<u>32,880</u>
At 31 January 2018	<u>32,880</u>
<b>Depreciation and impairment</b>	
At 1 February 2017	27,912
Depreciation charged in the year	1,480
	<u>29,392</u>
At 31 January 2018	<u>29,392</u>
<b>Carrying amount</b>	
At 31 January 2018	<u>3,488</u>
At 31 January 2017	<u>3,732</u>

**11 Financial instruments**

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	6,741	8,771
	<u>6,741</u>	<u>8,771</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	25,339	44,919
	<u>25,339</u>	<u>44,919</u>

**12 Debtors**

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,602	45
Other debtors	5,139	8,726
Prepayments and accrued income	30,315	40,924
	<u>37,056</u>	<u>49,695</u>

**LONDON WEALTH MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

**13 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	12,109	12,221
Corporation tax	169,150	143,300
Other taxation and social security	73,273	65,070
Other creditors	233	150
Accruals and deferred income	12,997	32,548
	<u>267,762</u>	<u>253,289</u>

**14 Retirement benefit schemes**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>26,874</u>	<u>16,332</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**15 Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
136,500 Ordinary A shares of £1 each	136,500	136,500
13,500 Ordinary B shares of £1 each	13,500	13,500
	<u>150,000</u>	<u>150,000</u>

**16 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within one year	55,000	55,000
Between two and five years	36,667	91,667
	<u>91,667</u>	<u>146,667</u>

**LONDON WEALTH MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2018**

**17 Directors' transactions**

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Interest free loan	-	1,466	7,500	(6,654)	2,312
Interest free loan	-	1,424	7,500	(7,713)	1,211
Interest free loan	-	2,063	7,500	(7,947)	1,616
		<u>4,953</u>	<u>22,500</u>	<u>(22,314)</u>	<u>5,139</u>

The balances outstanding at 31 January 2018 were repaid shortly after the year end.

**18 Cash generated from operations**

	<b>2018</b> £	<b>2017</b> £
Profit for the year after tax	681,744	533,864
<b>Adjustments for:</b>		
Taxation charged	165,043	143,300
Investment income	(1,176)	(959)
Depreciation and impairment of tangible fixed assets	1,480	2,434
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	12,825	(2,173)
(Decrease)/increase in creditors	(11,377)	21,001
<b>Cash generated from operations</b>	<u>848,539</u>	<u>697,467</u>