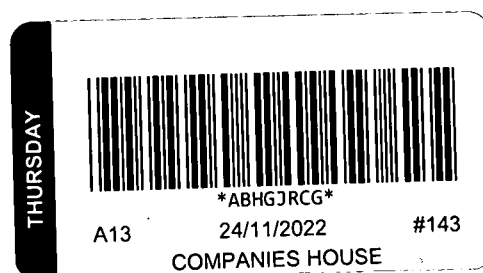


Registered number: 07223330

## **EQ INVESTORS LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2022**



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**EQ INVESTORS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J Spiers S Callaghan P Trueman M Kenner J Boyle M Neumann S Kennedy N Papadakis T Walker
<b>Registered number</b>	07223330
<b>Registered office</b>	6th Floor 60 Gracechurch Street London EC3V 0HR
<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 2 London Wall Place London EC2Y 5AU

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**EQ INVESTORS LIMITED**

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## **EQ INVESTORS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2022**

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#### **Introduction**

The Directors present the Strategic Report for the year ended 30 April 2022.

#### **Business review**

EQ Investors Limited is the principal operating company of EQ Investors Group Ltd, a registered B Corporation that is owned by staff and The EQ Foundation, a registered charity.

Based in the City of London, EQ is an award winning investment management and financial planning firm. It has a particularly strong proposition for investors seeking sustainable investment solutions.

During the year, the Company has seen strong growth, with assets under management increasing from £1.4 billion to over £1.7 billion resulting in a profit before amortisation of £1.55m. We were also pleased to see negligible staff turnover and loss of clients.

#### **Prospects**

Global equity markets have fallen since the start of the year which has impacted value of assets under management which has meant that income for the first part of the year has been slightly lower than in the second half of 2021. The company has a strong balance sheet and is in a good position to weather any further downside in global markets.

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## **EQ INVESTORS LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022**

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#### **Principal risks and uncertainties**

The Board has identified a number of business, reputational and operational risks that are pertinent to the Company's future performance. There is also considerable focus on managing other business risks such as "know your client" and suitability of advice.

Ultimately, the Board is responsible for determining the level of risk acceptable to the group and this is subject to regular review. The Board ensures effective implementation of policies and procedures which minimise the extent of risk facing the Company at any time. The Company has a Risk Committee which regularly reviews risks and policies to mitigate these. The Company maintains a Risk Register which is the main tool for monitoring risk, assessing its impact and considering any mitigating action. A risk is rated based on its probability as well as its potential impact.

#### **Market Risk**

Most of the Company's revenues are linked to the value of clients' investments so a significant fall in markets would impact the Company's revenue. Most client portfolios have a diverse asset allocation matched to the clients risk profile which limits the impact of a fall in any one asset class. The finance team regularly models various economic scenarios to ensure adequate capital is maintained to cover these scenarios.

#### **KYC & Suitability**

Suitability of investments for clients is considered an imperative throughout the Company's activities. The Company is also clear that sufficient "Know your client" information is held on all clients to mitigate risk on inappropriate advice to ensure that clients are provided with products and services that are suitable for them both when investing and on an ongoing basis.

#### **Regulatory**

The Company is regulated by the Financial Conduct Authority for the purposes of giving investment advice. The Company takes the obligations of this regulation very seriously and has a designated compliance officer who monitors the performance of the Company using stringent internal processes.

#### **Competition**

The Directors consider that the Company can compete effectively in the current environment in its target market. The Company has spent considerable time in positioning itself to give the most effective offering to clients within its chosen space and believe that this, together with a well-managed cost base, will enable competitive pressures to be withstood.

#### **IT Security**

The Directors attach high priority to managing the risks posed by IT security breaches, including a review of cybersecurity and General Data Protection Regulation (GDPR) compliance.

#### **Financial key performance indicators**

The financial key performance indicators are considered to be turnover and profit before amortisation of goodwill. Turnover increased by 16% from £9.2m to £10.7m. Profit before amortisation of goodwill improved from £1.06m to £1.55m – a new record.

#### **Other key performance indicators**

Other key performance indicators are considered to be assets under management, staff turnover and client losses. These are discussed in the business review section of this report.

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**EQ INVESTORS LIMITED**

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 APRIL 2022**

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**Directors' statement of compliance with duty to promote the success of the Company**

Section 172(1) of the Companies Act 2006 requires the Directors of an entity to act in the way they consider, in good faith, would be most likely to promote the success of the entity for the benefit of its Members as a whole. As part of their deliberations and decision making process the Directors have taken into account the following;

- likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment; and
- the desirability of the entity maintaining a reputation for high standards of business conduct and the need to comply with the rules of the Company's regulator, the UK Financial Conduct Authority.

The Directors recognise that building strong relationships with stakeholders will help deliver the Company strategy in line with its long-term values and is committed to effective engagement with the Company's stakeholders. Accordingly, the Directors require management to ensure that all stakeholder interests are considered in the Company's day to day management and operations, and seeks to understand the relative interests and priorities of the various stakeholders and to have regard to these in their decision making. The Directors acknowledge, however, that not every decision will necessarily result in a positive outcome for all stakeholders.

As a result of these activities, the Directors believe that they have demonstrated compliance with their legal duty under s172(1) of the Companies Act 2006.

This report was approved by the board on 22nd Aug 2022 and signed on its behalf.

  
**J Spiers**  
Director

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**EQ INVESTORS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2022**

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The Directors present their report and the financial statements for the year ended 30 April 2022.

**Principal activity**

The principal activity of the Company continued to be that of wealth management consultancy.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,684,517 (2021 - £882,274).

Dividends of £500,000 were paid during the year (2021 - £Nil).

**Directors**

The Directors who served during the year were:

J Spiers  
S Callaghan  
P Trueman  
M Kenner  
J Boyle  
M Neumann  
S Kennedy  
N Papadakis  
T Walker (appointed 1 November 2021)

A Branfield and M Howlett, Directors during the year, resigned on 1 November 2021.

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## **EQ INVESTORS LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022**

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#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic Report, 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

#### **Future developments**

Matters relating to the future development of the Company are contained in the Strategic Report.

#### **Matters covered in the Strategic Report**

In accordance with Section 414c (ii) of the Companies Act 2006, the Directors have chosen to include the following items in the Group Strategic Report:

- Principal activity and Business review
- Principal risks and uncertainties
- Future developments

#### **Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.



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**EQ INVESTORS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2022**

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**Post balance sheet events**

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

This report was approved by the board on

22 Aug 2022

and signed on its behalf.

  
**J Spiers  
Director**

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**EQ INVESTORS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQ INVESTORS LIMITED**

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**Opinion**

We have audited the financial statements of EQ Investors Limited (the 'Company') for the year ended 30 April 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 30 April 2022 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 United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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**EQ INVESTORS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQ INVESTORS LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

**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 or the Directors' Report.

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQ INVESTORS LIMITED (CONTINUED)**

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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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**EQ INVESTORS LIMITED**

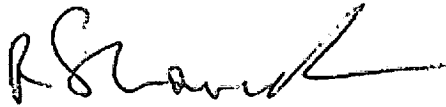
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQ INVESTORS LIMITED (CONTINUED)**

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**Use of our 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.



Rakesh Shaunak (Senior Statutory Auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

London

Date: 7 September 2022

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**EQ INVESTORS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2022**

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	Note	2022 £	2021 £
Turnover	4	10,669,783	9,192,517
Cost of sales		(1,337,934)	(1,300,406)
<b>Gross profit</b>		<b>9,331,849</b>	<b>7,892,111</b>
Administrative expenses		(7,777,332)	(6,829,837)
Exceptional administrative expenses - amortisation		(180,000)	(180,000)
<b>Profit before tax</b>		<b>1,374,517</b>	<b>882,274</b>
Tax on profit	9	310,000	-
<b>Profit for the financial year</b>		<b>1,684,517</b>	<b>882,274</b>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 14 to 27 form part of these financial statements.

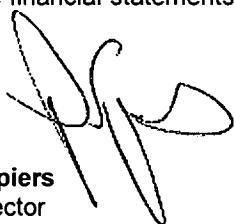
**EQ INVESTORS LIMITED**  
**REGISTERED NUMBER: 07223330**

**BALANCE SHEET**  
**AS AT 30 APRIL 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	525,000	705,000
Tangible assets	12	141,420	196,620
		<u>666,420</u>	<u>901,620</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	1,497,079	3,607,081
Cash at bank and in hand	14	2,684,413	1,920,830
		<u>4,181,492</u>	<u>5,527,911</u>
Creditors: amounts falling due within one year	15	(1,402,628)	(1,718,763)
<b>Net current assets</b>		<u>2,778,864</u>	<u>3,809,148</u>
<b>Net assets</b>		<u><u>3,445,284</u></u>	<u><u>4,710,768</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1,350,000	7,850,001
Profit and loss account	18	2,095,284	(3,139,233)
		<u><u>3,445,284</u></u>	<u><u>4,710,768</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

**J Spiers**  
Director



22 Aug 2022

The notes on pages 14 to 27 form part of these financial statements.

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**EQ INVESTORS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2022**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 May 2020</b>	<b>7,850,001</b>	<b>(4,021,507)</b>	<b>3,828,494</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	882,274	882,274
<b>At 1 May 2021</b>	<b>7,850,001</b>	<b>(3,139,233)</b>	<b>4,710,768</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,684,517	1,684,517
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,684,517</b>	<b>1,684,517</b>
Dividends: Equity capital	-	(500,000)	(500,000)
Transfer arising from share reduction	-	4,050,000	4,050,000
Share reduction during the year	(2,450,001)	-	(2,450,001)
Reduction in share nominal value	(4,050,000)	-	(4,050,000)
<b>Total transactions with owners</b>	<b>(6,500,001)</b>	<b>3,550,000</b>	<b>(2,950,001)</b>
<b>At 30 April 2022</b>	<b>1,350,000</b>	<b>2,095,284</b>	<b>3,445,284</b>

The notes on pages 14 to 27 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**1. General information**

The Company is a private company limited by shares and is incorporated in England and Wales. the registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR and the Company's principal place of business is Centennium House, 100 Lower Thames Street, London, EC3R 6DL.

The financial statements are presented in pound sterling which is the functional currency of the Company and are rounded to the nearest pound.

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of EQ Investors Group Limited as at 30 April 2022 and these financial statements may be obtained from Companies House.

**2.3 Going concern**

The financial statements have been prepared on the going concern basis which is dependent upon the financial support of the company's fellow group companies.

In common with all businesses in the UK, the Company has been impacted by the government's response to the COVID-19 pandemic. The Directors consider that it is well placed, particularly in cash terms, to ensure that there are no long term structural consequences on its business.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**2. Accounting policies (continued)**

**2.4 Revenue**

Turnover comprises revenue recognised by the Company in respect to wealth management services. Revenue is recognised as earned when, and to the extent that, the Company obtains the right to consideration in exchange for its performance.

Revenue due for the year end, but not received until after the year end, is disclosed in the accounts and recognised under accrued income.

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.6 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**2. Accounting policies (continued)**

**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.8 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.9 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**2. Accounting policies (continued)**

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Fixtures and fittings	-	10% Straight line
Computer equipment	-	33% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.11 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.13 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.14 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.15 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

**2.16 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The Company makes estimates and assumptions concerning future performance. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are set out below:

**3.1 Going Concern**

The Directors judgement is that the financial statements should be prepared on a going concern basis. The accounting policies and Strategic Report give further details with respect to this judgement.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Wealth management	10,669,783	9,192,517
	<u>10,669,783</u>	<u>9,192,517</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	10,669,783	9,192,517
	<u>10,669,783</u>	<u>9,192,517</u>

**5. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	55,200	55,200
Amortisation of goodwill	180,000	180,000
Other operating lease rentals	304,770	264,021
	<u>539,970</u>	<u>499,221</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**6. Auditor's remuneration**

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>14,700</u>	<u>14,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**7. Employees**

Staff costs, including Directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	4,700,973	4,464,825
Social security costs	530,571	463,225
Cost of defined contribution scheme	435,859	308,731
	<u>5,667,403</u>	<u>5,236,781</u>

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

	2022 No.	2021 No.
Administrative and consultants	<u>65</u>	<u>59</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**8. Directors' remuneration**

	2022 £	2021 £
Directors' emoluments	1,214,194	1,206,127
Company contributions to defined contribution pension schemes	79,210	44,246
	<u>1,293,404</u>	<u>1,250,373</u>

During the year retirement benefits were accruing to 7 Directors (2021 - 5) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £196,085 (2021 - £224,030).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2021 - £NIL).

**9. Taxation**

	2022 £	2021 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(310,000)	-
<b>Total deferred tax</b>	<u>(310,000)</u>	<u>-</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(310,000)</u>	<u>-</u>



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**9. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>1,374,517</u>	<u>882,274</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	261,158	167,632
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	34,200	34,200
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,639	1,245
Depreciation for year in excess of capital allowances	5,729	4,782
Utilisation of tax losses	(623,726)	(207,859)
<b>Total tax charge for the year</b>	<u>(310,000)</u>	<u>-</u>

**Factors that may affect future tax charges**

The group has tax losses of approximately £1,200,000 (2021 - £3,000,000) available for use against future trading profits.

**10. Dividends**

	2022 £	2021 £
Ordinary dividends paid	500,000	-
	<u>500,000</u>	<u>-</u>

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**11. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 May 2021	<b>1,800,000</b>
At 30 April 2022	<b>1,800,000</b>
<b>Amortisation</b>	
At 1 May 2021	<b>1,095,000</b>
Charge for the year on owned assets	<b>180,000</b>
At 30 April 2022	<b>1,275,000</b>
<b>Net book value</b>	
At 30 April 2022	<b>525,000</b>
At 30 April 2021	<b>705,000</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**12. Tangible fixed assets**

	Fixtures, fittings and equipment £
<b>Cost or valuation</b>	
At 1 May 2021	417,420
At 30 April 2022	<u>417,420</u>
<b>Depreciation</b>	
At 1 May 2021	220,800
Charge for the year on owned assets	55,200
At 30 April 2022	<u>276,000</u>
<b>Net book value</b>	
At 30 April 2022	<u><u>141,420</u></u>
At 30 April 2021	<u><u>196,620</u></u>

**13. Debtors**

	2022 £	2021 £
Trade debtors	25,295	11,256
Amounts owed by group undertakings	1,876	2,451,876
Other debtors	100,678	91,507
Prepayments and accrued income	1,059,230	1,052,442
Deferred taxation	310,000	-
	<u><u>1,497,079</u></u>	<u><u>3,607,081</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**14. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	2,684,413	1,920,830
	<u>2,684,413</u>	<u>1,920,830</u>

**15. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	114,984	49,111
Other taxation and social security	297,490	295,669
Other creditors	77,684	27,743
Accruals and deferred income	912,470	1,346,240
	<u>1,402,628</u>	<u>1,718,763</u>

**16. Deferred taxation**

	2022 £
Charged to profit or loss	310,000
<b>At end of year</b>	<u><b>310,000</b></u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	2,000	-
Pensions deferred relief	19,000	-
Losses to be utilised in the future	289,000	-
	<u>310,000</u>	<u>-</u>

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**17. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
5,400,001 (2021 - 7,850,001) ordinary shares of £0.25 each (2021 - £1.00 each)	<u>1,350,000</u>	<u>7,850,001</u>

On 5 October 2021 a special resolution was passed to reduce the Company's share capital from 7,850,001 ordinary shares of £1 each to 5,400,001 ordinary shares of £1 each, following which 75p of the nominal value of the remaining shares was cancelled to leave 5,400,001 ordinary shares of 25p each.

**18. Reserves****Profit and loss account**

The profit and loss account represents accumulated profits and losses of the Company.

**19. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £435,859 (2021: £308,731). Contributions totalling £77,684 (2021: £27,043) were payable to the fund at the balance sheet date and are included in creditors.

**20. Commitments under operating leases**

At 30 April 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	338,324	338,324
Later than 1 year and not later than 5 years	548,085	886,409
	<u>886,409</u>	<u>1,224,733</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2022**

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**21. Related party transactions**

The Company has taken advantage of the exemption in Section 33.1A in FRS 102 from the requirement to disclose transactions entered into between group entities on the grounds that the Company is a wholly owned subsidiary and that consolidated financial statements are prepared by the ultimate parent undertaking.

At the year end the Company was owed the following amounts from group companies:  
Best Investments Limited £1,876 (2021: £2,451,876)

The remuneration of key management personnel was £1,449,582 (2021: £1,405,900).

**22. Controlling party**

The ultimate parent undertaking is EQ Investors Group Limited. EQ Investors Group Limited is registered in England and Wales and consolidated financial statements can be obtained from Companies House. There are no other consolidated financial statements drawn up within this group.

The ultimate controlling party is J D Spiers.