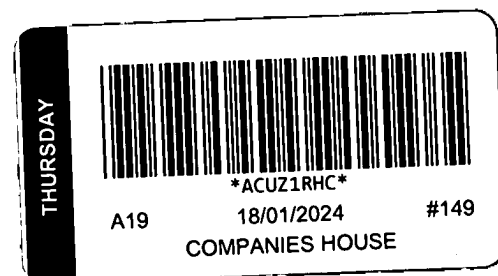


Registered number: 07223330

## EQ INVESTORS LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023



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**EQ INVESTORS LIMITED**

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**COMPANY INFORMATION**

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**Directors**

J Spiers  
S Callaghan  
P Trueman  
M Kenner  
J Boyle  
M Neumann  
S Kennedy  
T Walker

**Registered number**

07223330

**Registered office**

6th Floor  
60 Gracechurch Street  
London  
EC3V 0HR

**Independent auditor**

MHA  
2 London Wall Place  
London  
EC2Y 5AU

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## **EQ INVESTORS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2023**

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#### **Introduction**

The Directors present the Strategic Report for the year ended 30 April 2023.

#### **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.

After a number of years of strong growth, equity markets fell in the beginning of 2022 and have remained at these lower levels. This has impacted assets under management of £1.7bn at April 2023 which were at a similar level to April 2022. The average AUM in 2022 was higher than the current year resulting in a fall in revenue in the year. This combined with inflationary increases in overheads has meant a fall in profits this year. In spite of this difficult trading environment we were pleased to see negligible staff turnover and loss of clients.

#### **Prospects**

Global equity markets have remained subdued whilst world economies are facing headwinds from higher inflation and increased interest rates. Hopefully in the next 12 months the outlook for investors will improve and in the longer term markets will return to the longer trend of positive real returns. With continuing inflationary pressure on overheads, short term profitability will continue to be subdued in the first half of the current year however 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 2023**

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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.

During the year the Directors agreed a plan for implementing the FCA's new Consumer Duty rules which take effect from 31st July 2023. These rules place increased demands on financial firms to act in the interests of their customers. This has absorbed a considerable amount of senior management time but is not expected to change materially the way in which the Company operates.

#### **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 decreased by 5% from £10.7 to £10.2m. Pre - tax profit before amortisation of goodwill decreased from £1.55m to £0.96m.

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## EQ INVESTORS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

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#### 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.

#### 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 and signed on its behalf.

  
**J Spiers**  
Director

Date:

21/8/23

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**EQ INVESTORS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2023**

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The directors present their report and the financial statements for the year ended 30 April 2023.

**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 £535,696 (2022 - £1,684,517).

Dividends of £900,000 (2022: £500,000) were paid in the year.

**Directors**

The directors who served during the year were:

J Spiers  
S Callaghan  
P Trueman  
M Kenner  
J Boyle  
M Neumann  
S Kennedy  
T Walker

N Papadakis, a Director during the year, resigned on 21 October 2022.

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## **EQ INVESTORS LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023**

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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 2023**

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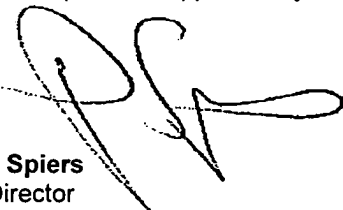
**Post balance sheet events**

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

**Auditor**

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

This report was approved by the board and signed on its behalf.



**J Spiers**  
Director

Date: 21/8/23



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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 2023, 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 2023 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime

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

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**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.

**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**

Statutory Auditor

London, United Kingdom

Date: 29/08/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

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**EQ INVESTORS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2023**

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	Note	2023 £	2022 £
Turnover	4	10,153,593	10,669,783
Cost of sales		(1,224,354)	(1,337,934)
<b>Gross profit</b>		<b>8,929,239</b>	<b>9,331,849</b>
Administrative expenses		(7,968,543)	(7,777,332)
Exceptional administrative expenses - amortisation		(180,000)	(180,000)
<b>Operating profit</b>	5	<b>780,696</b>	<b>1,374,517</b>
<b>Profit before tax</b>		<b>780,696</b>	<b>1,374,517</b>
Tax on profit	9	(245,000)	310,000
<b>Profit for the financial year</b>		<b>535,696</b>	<b>1,684,517</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 14 to 25 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 30 APRIL 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	11	345,000	525,000
Tangible assets	12	86,220	141,420
		<u>431,220</u>	<u>666,420</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	1,192,301	1,497,079
Cash at bank and in hand	14	2,622,714	2,684,413
		<u>3,815,015</u>	<u>4,181,492</u>
Creditors: amounts falling due within one year	15	(1,165,255)	(1,402,628)
<b>Net current assets</b>		<u>2,649,760</u>	<u>2,778,864</u>
<b>Net assets</b>		<u><u>3,080,980</u></u>	<u><u>3,445,284</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1,350,000	1,350,000
Profit and loss account	18	1,730,980	2,095,284
		<u><u>3,080,980</u></u>	<u><u>3,445,284</u></u>

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

**J Spiers**  
Director

Date:

21/8/23

The notes on pages 14 to 25 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 2023**

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	Called up share capital £	Profit and loss account £	Total equity £
<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 period</b>			
Profit for the period	-	1,684,517	1,684,517
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>At 1 May 2022</b>	<b>1,350,000</b>	<b>2,095,284</b>	<b>3,445,284</b>
Profit for the year	-	535,696	535,696
Dividends: Equity capital	-	(900,000)	(900,000)
<b>At 30 April 2023</b>	<b>1,350,000</b>	<b>1,730,980</b>	<b>3,080,980</b>

The notes on pages 14 to 25 form part of these financial statements.

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## **EQ INVESTORS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023**

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#### **1. General information**

The Company is a private company limited by shares and is incorporated in England and Wales company registration number 07223330. 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 2023 and these financial statements may be obtained from Companies House.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Turnover comprises revenue recognised by the Company in respect of 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.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 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.

**2.5 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 2023**

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**2. Accounting policies (continued)**

**2.6 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.

**2.7 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.

**2.8 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 2023**

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**2. Accounting policies (continued)**

**2.9 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.

Depreciation is provided 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.

**2.10 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.

**2.11 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.

**2.12 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.

**2.13 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  
FOR THE YEAR ENDED 30 APRIL 2023**

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**2. Accounting policies (continued)**

**2.14 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.

**2.15 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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## EQ INVESTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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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:

	2023 £	2022 £
Wealth Management	10,153,593	10,669,783
	<u>10,153,593</u>	<u>10,669,783</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	10,153,593	10,669,783
	<u>10,153,593</u>	<u>10,669,783</u>

#### 5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	55,200	55,200
Amortisation of goodwill	180,000	180,000
Other operating lease rentals	313,921	304,770
	<u>549,121</u>	<u>540,170</u>

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023**

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**6. Auditor's remuneration**

During the year, the Company obtained the following services from the Company's auditor:

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	15,000	14,700

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

**7. Employees**

	2023 £	2022 £
Wages and salaries	4,961,956	4,700,973
Social security costs	593,205	530,571
Cost of defined contribution scheme	345,272	435,859
	<u>5,900,433</u>	<u>5,667,403</u>

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

	2023 No.	2022 No.
Staff	<u>69</u>	<u>65</u>

**8. Directors' remuneration**

	2023 £	2022 £
Directors' emoluments	1,278,029	1,214,194
Company contributions to defined contribution pension schemes	85,753	79,210
	<u>1,363,782</u>	<u>1,293,404</u>

During the year retirement benefits were accruing to 6 directors (2022 - 7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £231,214 (2022 - £196,085).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £21,264 (2022 - £NIL).

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023**

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**9. Taxation**

	2023 £	2022 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	245,000	(310,000)
<b>Total deferred tax</b>	245,000	(310,000)
<b>Tax on profit</b>	245,000	(310,000)

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2022 - *lower than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	780,696	1,374,517
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	148,332	261,158
<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	3,668	12,639
Depreciation for year in excess of capital allowances	-	5,729
Utilisation of tax losses	-	(623,726)
Changes to future tax rates	58,800	-
<b>Total tax charge for the year/period</b>	245,000	(310,000)

**Factors that may affect future tax charges**

The group has tax losses of approximately £190,000 (2022: £1,200,000) available for use against future trading profits.

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023**

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**10. Dividends**

	2023 £	2022 £
Ordinary dividends paid	900,000	500,000
	<u>900,000</u>	<u>500,000</u>

**11. Intangible assets**

	Goodwill £
<b>Cost</b>	
At 1 May 2022	1,800,000
At 30 April 2023	<u>1,800,000</u>
<b>Amortisation</b>	
At 1 May 2022	1,275,000
Charge for the year on owned assets	180,000
At 30 April 2023	<u>1,455,000</u>
<b>Net book value</b>	
At 30 April 2023	<u>345,000</u>
At 30 April 2022	<u>525,000</u>



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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023**

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**12. Tangible fixed assets**

	<b>Fixtures and fittings £</b>
<b>Cost or valuation</b>	
At 1 May 2022	<b>417,420</b>
At 30 April 2023	<b>417,420</b>
<b>Depreciation</b>	
At 1 May 2022	<b>276,000</b>
Charge for the year on owned assets	<b>55,200</b>
At 30 April 2023	<b>331,200</b>
<b>Net book value</b>	
At 30 April 2023	<b>86,220</b>
At 30 April 2022	<b>141,420</b>

**13. Debtors**

	<b>2023 £</b>	<b>2022 £</b>
Trade debtors	<b>2,910</b>	<b>25,295</b>
Amounts owed by group undertakings	<b>1,876</b>	<b>1,876</b>
Other debtors	<b>74,380</b>	<b>100,678</b>
Prepayments and accrued income	<b>1,048,135</b>	<b>1,059,230</b>
Deferred taxation	<b>65,000</b>	<b>310,000</b>
	<b>1,192,301</b>	<b>1,497,079</b>

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**EQ INVESTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023**

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**14. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	2,622,714	2,684,413
	<u>2,622,714</u>	<u>2,684,413</u>

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

	2023 £	2022 £
Trade creditors	7,830	114,984
Other taxation and social security	309,680	297,490
Other creditors	42,780	77,684
Accruals and deferred income	804,965	912,470
	<u>1,165,255</u>	<u>1,402,628</u>

**16. Deferred taxation**

	2023 £
At beginning of year	310,000
Charged to profit or loss	(245,000)
At end of year	<u>65,000</u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	10,000	2,000
Pension deferred relief	11,000	19,000
Losses to be utilised in the future	44,000	289,000
	<u>65,000</u>	<u>310,000</u>

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## EQ INVESTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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#### 17. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
5,400,001 (2022 - 5,400,001) Ordinary shares of £0.25 each	<u>1,350,000</u>	<u>1,350,000</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 £345,272 (2022 - £435,859). Contributions totalling £40,169 (2022 - £77,684) were payable to the fund at the balance sheet date and are included in creditors.

#### 20. Commitments under operating leases

At 30 April 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	338,324	338,324
Later than 1 year and not later than 5 years	209,761	548,085
	<u>548,085</u>	<u>886,409</u>

#### 21. 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.