

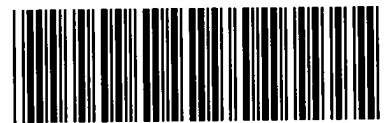
Company Registration No. 03109469

**European Wealth Trading Limited
(formerly Ernest Noad & Associates
Limited)**

Report and Financial Statements

31 December 2014

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European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

Report and financial statements 2014

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European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

Report and financial statements 2014

Officers and professional advisers

Directors

S Roughley
R Gentry
S Ray
A J Morton

Secretary

M Horton

Registered Office

Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

Registered Number

03109469

Auditor

Deloitte LLP
London
United Kingdom

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

Report and financial statements 2014

Strategic report

GENERAL INFORMATION

European Wealth Trading Limited ("EWT" or the "Company") was incorporated on 3 October 1995 (in the name of Ernest Noad & Associates Limited) in the United Kingdom and is the trade execution arm of European Wealth Group Limited ("EWG" or the "Group"), with its main activity being the provision of trade execution services to European Investment Management Limited ("EIM").

On 6 May 2014 European Wealth Management Limited ("EWMG"), the 100 per cent. owner of EWT, was acquired by EWG, meaning that EWT is now a 100 per cent. subsidiary of EWG. Full details of the acquisition can be found on the website of EWG www.europeanwealth.com.

In December 2014 EIM entered into a trading and commission agreement with EWT whereby EIM agreed to outsource certain operations of its business, particularly in relation to its dealing activities, to EWT. Prior to that, for the whole of 2013 and up to December 2014, EWT was dormant.

REVIEW OF THE COMPANY'S BUSINESS

EWT's revenue in the year to 31 December 2014 was approximately £162k (2013: £nil) and the business made a pre tax profit of £158k (2013: £nil).

The net asset position of EWT increased to £219k from the 2013 position of £31k.

KEY RISKS AFFECTING THE BUSINESS

There are a number of potential risks and uncertainties that could have an impact on the performance of the Company. Whilst there are others identified, the key risks include:

Liquidity risk

The Group and Company maintain a mixture of cash and cash equivalents that is designed to meet the Company's operational and trading activities. Having prepared detailed forecasts, the Company is confident that it has sufficient liquidity for the foreseeable future.

Solvency risk

The Directors understand the risk of not being able to meet the long term and short term obligations of the business, especially with regards to its capital requirements. In order to mitigate this risk the Group's finance team analyses cashflow on a regular basis and has implemented strong internal controls so that all outgoings are budgeted for. The Company has robust plans in place that will enable it to bring in new capital and restructure the existing capital base if forecasted targets are not achieved and additional capital is required

Operational risk

This is defined as the risk of loss arising from inadequate or failed internal processes, people, systems or external events. The Company as part of the broader Group has embedded a risk management framework that identifies and assesses risks in order to manage and mitigate them in an efficient manner.

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

Report and financial statements 2014

Strategic report

Risk of increasing regulation

EWT is engaged in activities which are regulated by the FCA. EWT therefore, may be required from time to time to review and update its regulatory permissions and the status of its authorised persons to ensure that its existing and new activities, as they develop, are consistent with the Company's regulatory permissions.

Failure to do so could lead to public reprimand, the imposition of fines, the revocations of permissions or authorisations and/or other regulatory sanctions, any of which could lead to adverse publicity and reputational damage and could have a material adverse effect on the continued conduct of EWT's business.

There may, in the future, be changes to, or new laws and regulations that govern the operations of the Company. EWT cannot predict the full effect that any proposed or future law or regulation may have on the financial condition or results or operations of the Company or the enlarged Group.

Risk of negative stock market conditions

EWT's business will be partially dependent on stock market conditions. Adverse market conditions may have a significant negative effect on the EWT's operations.

Dependence on one key client

EWT is currently heavily reliant on generating revenue from EIM clients. Whilst the Company has the ability to execute trades for third parties in the period under review all revenue was generated through the execution of trades for EIM.

Key performance indicators

The Company's key performance indicators include, but are not limited to:

- Company revenues;
- Company profitability; and

We anticipate the volume of trades becoming a KPI in future periods as and when there is more data to be analysed.

REGULATORY CAPITAL REQUIREMENTS

European Wealth Trading Limited is UK registered and FCA regulated (BIPRU Limited Activity EURO50k). In accordance with the rules of the Financial Conduct Authority, the company's Pillar 3 disclosures are available at the Company's head office. This information is not audited.

FUTURE DEVELOPMENTS

The Directors expect the turnover of the Company to increase in 2015 as the dealing volumes transacted by the Company increase as well as there being a full years worth of trading to be included.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



A J Morton
Director

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

Directors' report

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

Principal activity

In December 2014 European Wealth Trading Limited ("EWT") entered into a trading and commission agreement with European Investment Management Limited ("EIM"), whereby EIM agreed to outsource certain operations of its business, particularly in relation to its trade execution activities, to EWT. As a result of this, the main trading activity of EWT is the executing of trades for EIM.

Directors

The directors who served during the year and subsequently, except as noted, were:

S Roughley
R Gentry
A J Morton (appointed 24 September 2014)
S Ray (appointed 8 September 2014)

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Review of the Company's Business section of the Strategic Report on page 2.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the Company's ultimate parent European Wealth Group Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of EWG and its subsidiaries to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of EWG, the Company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

The previous auditors, Day, Smith and Hunter, resigned during the year. The current auditors, Deloitte LLP were appointed during the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by the Board of Directors



A J Morton
Director 27 April 2015

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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.

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

Independent auditor's report to the member of European Wealth Trading Ltd

We have audited the financial statements of European Wealth Trading Ltd for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

Opinion on matters prescribed in the Companies Act 2006

In our opinion 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.

Independent auditor's report to the member of European Wealth Trading Ltd (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Stephen Williams (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
27 April 2015

European Wealth Trading Ltd

Profit and loss account

For the year ended 31 December 2014

| | Notes | 2014 £ | 2013 £ |
|--|-------|-----------|-----------|
| Turnover | 1 | 161,778 | - |
| Cost of sales | | (622) | - |
| Gross profit | | 161,156 | - |
| Administrative expenses | | (3,078) | - |
| Operating profit | 3 | 158,078 | - |
| Interest payable and similar charges | | (15) | - |
| Profit on ordinary activities before taxation | | 158,063 | - |
| Taxation on profit on ordinary activities | 5 | (15,022) | - |
| Profit for the financial year | 9 | 143,041 | - |

All income and expenses for the year ended 31 December 2014 and the year ended 31 December 2013 were derived from continuing operations.

The Company has no recognised gains or losses other than those included in the results above. Therefore, no separate statement of total recognised gains or losses has been prepared.

The notes on pages 10 to 13 form an integral part of the financial statements.

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

**Balance sheet
31 December 2014**

| | Notes | 2014 £ | 2013 £ |
|---|-------|----------------|---------------|
| Current assets | | | |
| Debtors | 6 | 233,472 | 30,922 |
| Cash at bank and in hand | | 413 | - |
| Net current assets | | <u>233,885</u> | <u>30,922</u> |
| Creditors: amounts falling due within one year | 7 | (15,022) | - |
| Net current assets | | <u>218,863</u> | <u>30,922</u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 45,000 | 100 |
| Profit and loss account | 9 | 173,863 | 30,822 |
| Shareholders' funds | | <u>218,863</u> | <u>30,922</u> |

Approved by the board of directors on 27 April 2015 and signed on its behalf.



A J Morton
Director

Company Registration No: 03109469

The notes on pages 10 to 13 form part of these financial statements.

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with generally accepted accounting principles in the United Kingdom ("UK GAAP").

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement because its parent undertaking has prepared consolidated financial statements which include the results of the Company for the year.

b) Turnover

Turnover represents the income receivable (excluding value added tax and trade discounts) in the ordinary course of business for services provided. The Company recognises its turnover as follows:

- Dealing commission is recognised when the deals have fully settled.

Turnover is generated in the UK and relates solely to the principal activity of the Company.

2. Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Review of the Company's Business section of the Strategic Report on page 3.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent European Wealth Group Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of EWG and its subsidiaries to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of EWG, the Company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. Operating profit

There is no deduction from operating profit in relation to audit fees, as the total costs for the Group of £40,000 are borne by European Wealth Group Limited, the ultimate parent company.

4. Directors' emoluments

The Company's Directors are not remunerated for their service to the Company; but by other Group companies.

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

**Notes to the financial statements
Year ended 31 December 2014**

5. Tax on profit on ordinary activities

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| United Kingdom standard corporation tax at 21.5% (2013: 23.25%) based on the profit for the year | 15,022 | - |

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

| | 2014 £ | 2013 £ |
|--|---------------|-----------|
| Profit on ordinary activities before tax | 158,063 | - |
| Tax on profit on ordinary activities at standard rate of 21.5% (2013: 23.25%) | 33,984 | - |
| Deductions for group relief | (18,962) | - |
| | <u>15,022</u> | <u>-</u> |

6. Debtors

| | 2014 £ | 2013 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | 233,472 | 30,922 |

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

**Notes to the financial statements
Year ended 31 December 2014**

7. Creditors

| | 2014 £ | 2013 £ |
|---------------------|---------------|-----------|
| Corporation tax due | <u>15,022</u> | <u>-</u> |

8. Called up share capital

| | 2014 £ | 2013 £ |
|---|---------------|------------|
| Allotted, called up and fully paid | | |
| Ordinary shares of £1 each | <u>45,000</u> | <u>100</u> |

During the year the Company allotted 44,999 ordinary shares with a nominal value of £1 per share.

9. Reserves

| | Share capital £ | Profit and loss account £ |
|-------------------------|-----------------------|------------------------------------|
| At 1 January 2014 | 100 | 30,822 |
| Shares issued in period | 44,900 | - |
| Profit for the year | <u>-</u> | <u>143,041</u> |
| At 31 December 2014 | <u>45,000</u> | <u>173,863</u> |

European Wealth Trading Limited (formerly Ernest Noad & Associates Limited)

Notes to the financial statements Year ended 31 December 2014

10. Related parties

During the year the company's parent undertaking European Wealth Management Group Limited ("EWMG"), was acquired by European Wealth Group Limited ("EWG") (a company incorporated in Guernsey and listed on the Alternative Investment Market (AIM)) whereby the shareholders exchanged 100% of their shares in EWMG for the corresponding value in shares in EWG. This agreement took effect on 7 May 2014, and consequently the company became a wholly owned subsidiary of EWG.

At the year end the company's immediate and ultimate parent company and controlling party was EWG, being the parent of the smallest and largest group of which the company was a member and for which group financial statements are prepared. Copies of the financial statements of EWG will be available from EWG's website shortly (www.europeanwealth.com) or from 10-11 Austin Friars, London, EC2N 2HG. No individual party exercises control over EWG by means of their shareholding.

The company has taken advantage of the exemption available under FRS 8 from disclosing related party transactions with entities that are part of the group.