Company Registration No. 05768654 (England and Wales)

CORNHILL FINANCIAL SERVICES LIMITED

(FORMERLY GENESIS WEALTH LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
COMPANY INFORMATION

Directors	C Burns A Chaplin R Jones G Thomas S Rijhsinghani R Kleiner
Secretary	S Coleman
Company number	05768654
Registered office	73 Cornhill London EC3V 3QQ
Auditor	Seymour K Limited 3 Accommodation Road London NW11 8ED

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
CONTENTS

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report and financial statements for the year ended 31 March 2017.

The principal activity of the Company is Financial Services providing independent financial advice to individual and corporate customers.

Development and Performance
The directors are satisfied with the results for the period and continue to look forward to the future with confidence. The company's key financial indicators were:

- Turnover increased by 2.14% from £1.207 million to £1.232 million.
- Funds under Active Wealth Service management remained level to £39.9 million.

Challenges seen in the trading period have been the introduction of new Flexible Access pension rules and the EU Referendum. This provides further uncertainty to the investment outlook over the next 12 months. Whilst turnover has fallen over the last year we do not feel the need to expand the number of advisers or administration support within the business.

The income is generated from both initial and ongoing adviser fees as well as historical fund related commission paid by product providers. The focus is to maintain and grow the ongoing income stream through our service propositions.

Our Discretionary Fund Management service is provided in conjunction with Vestra Wealth LLP and utilises pension and investment wrappers on WRAP Platforms provided by AXA Elevate and AEGON Retirement Choice having removed Novia from our offering. All Client Money is held by the WRAP Platforms and all trades are dealt as principal by the platform providers.

The average number of employees was 11 in 2016-17 (increase from 8 in 2015-16).

The company retains sufficient capital it needs to, with financial resources (as defined by the FCA) at 31 March 2017 of £470k (£433k at 31 March 2016).

Year End Position
The Directors are satisfied with the year end position for the company.

Principal risks and uncertainties
The Company operates in the financial services sector within the UK and as such faces the same risks as other similar businesses, including downturns in the economy, the loss of key personnel and errors made during service processes.

The main risks arising from the Company's business are credit risk, market risk and operational/reputational risk. The financial risk management objectives and group policies for each of these risks are described in more detail below.

Credit risk
Due to the nature of the Company's focus of establishing and maintaining ongoing income streams with clients, the exposure to credit risk is considered minimal. This income is generally facilitated by product providers but systems are in place to facilitate initial and ongoing Adviser Charging directly with clients, when requested.

Market risk
We do not hold positions for client and we do not deal as a principal. The platforms used by the Company hold all Client Money and they have to meet the FCA rules to permit the clients accounts not to go overdrawn. The exposure to market risk is therefore considered minimal.

Operational / Reputational risk
As the business involves a large degree of human action the operational and reputational risks are considered to be most prevalent. Risk mitigation through staff training and monitoring as well as strict processes and practices are in place to try and mitigate the risks. This is overseen at a Director level to maintain standards as well as improving the service we provide to our clients.

Fair review of the business
The principal activity of the company continued to be that of financial advisers.

Pillar 3 disclosures
The Capital Requirements Directive ('the CRD') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain. In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The FCA framework consists of three 'Pillars':
Pillar 1 sets out the minimum capital amount that meets the firm's credit, market and operational risk;
Pillar 2 requires the firm to assess whether its Pillar 1 capital is adequate to meet all its risks (not necessarily covered within Pillar 1) such that it can meet its liabilities as they fall due. This assessment is completed by conducting a systematic Internal Capital Adequacy Assessment Process (ICAAP);
Pillar 3 requires disclosure of specified information about the underlying risk management controls, capital position and remuneration.

The rules in BIPRU 11.3 set out the provision for Pillar 3 disclosure which requires firms to publicly disclose specified information. This document is intended to meet the Pillar 3 obligations of Genesis Wealth Ltd ('Genesis').

The FCA does not expect disclosure if the information is regarded as immaterial or proprietary/confidential. The directors are therefore permitted to omit required disclosures if they believe
a) that the information is immaterial such that omission would be unlikely to change or influence the assessment or decision of a user relying on it to make economic decisions or
b) that the information is regarded as that which, if it were shared with competitors, would render the firm's investments less valuable or
c) that the information comprises obligations binding them to confidentiality with their customers, suppliers or other counterparties.

Other than as noted below, the directors have made no omissions on the grounds that it is immaterial, proprietary or confidential.

Principal risks and uncertainties

Scope and application of the requirements

Genesis Wealth Limited ('Genesis') is incorporated in the UK and is authorised and regulated by the FCA and as such has to comply with GENPRU and BIPRU rules and must meet specified capital requirements.

Genesis is categorised as a BIPRU limited licence 50k firm by the FCA for capital purposes meaning that its Pillar 1 capital requirements are the greater of:
-Its base capital requirement of €50,000; or
-The sum of its market and credit risk capital requirements; or
-Its Fixed Overhead Requirement (i.e. fixed expenditure over a 3 month period).

Through a simple operational infrastructure Genesis provides bespoke portfolio management and financial planning services to a small number (under 500) of predominately retail clients, supported by market leading technology and third party outsourcing arrangements. The company currently manages £36m of assets; the average portfolio size is circa £387k per client. The fee income is recurring as it is based on a percentage of the funds under management.

As an investment management firm Genesis does not act as principal, has no trading book exposures, does not hold 'positions' and all fees are billed in Sterling. There is thus no market risk and it has limited credit risk from management and performance fees receivable from the funds under its management.

Although we would theoretically follow the standardised approach to market risk and the simplified standard approach to credit risk, the directors have identified that Genesis's additional exposure is primarily to Pillar 2 operational and reputational risk.

The Firm is not a member of a UK Consolidation Group and so does not report on a consolidated basis for accounting and prudential purposes.

Development and performance

Risk management

Genesis is governed by its directors who determine its business strategy and risk appetite or tolerance for loss. They are responsible for establishing and maintaining the governance arrangements along with the implementation of an effective and dynamic process to identify risks, measure their potential likelihood and impact and ensure those risks are managed proactively.

The directors meet on a regular basis and discuss current projections for profitability, cash flow, regulatory capital management, and business planning and risk management. The directors manage Genesis's risks through a framework of controls, policies and procedures having regard to relevant laws, standards, principles and rules (including FCA guidance, principles and rules) with the aim of operating a defined and transparent risk management framework. These policies and procedures are regularly reviewed and updated as required and the directors formally review the ICAAP annually. If this process should identify a higher capital requirement than the Pillar 1 requirement Genesis would maintain this higher Pillar 2 requirement.

Key performance indicators

Regulatory capital

Genesis's capital arrangements are established in its Memorandum & Articles of Association. As of 31/03/2017 the capital resources were as follows:

Capital item	£'000
Share capital	0.6
Reserves	470
Total Capital Resources net of deductions	470
Fixed Overhead Capital Requirement	134
Surplus of Own Funds	336

We have not identified credit risk exposure classes or the minimum capital requirements for market risk as we believe that they are either non-existent or immaterial.

Other performance indicators

Remuneration

The Remuneration Code ('the Code') is part of the EU Directive CRD3 and the disclosure requirements are in BIPRU 11.5.18. The rules are intended to ensure that remuneration (bonuses, enhanced pension contributions etc) does not affect our advice, investment activity or how we treat clients' assets.

Firms must establish, implement and maintain remuneration policies, procedures and practices that are consistent with and promote sound and effective risk management but there is a proportionate and risk-based approach applying to implementation - proportionate to the nature, scale and complexity of our activities. Genesis falls under the lowest risk group of 'Proportionality tier four'.

Some principles of the Code apply on a firm-wide basis and others apply only to certain employees, known as Code Staff. These comprise any staff that would have a material impact on our risk profile and include:
-anyone holding a significant influence control function
-senior management
all staff whose remuneration takes them into the same bracket as senior management and risk takers, whose professional activities could have a material impact on a firm's risk profile.

As a firm in Proportionality Tier Four the information we are required to disclose is as follows:-

Disclosure requirement	Genesis information
Information concerning the decision-making process used for determining the remuneration policy (BIPRU 11.5.18R (1))	The board of directors act as the remuneration committee. There is a meeting in advance of any bonus declarations which considers primarily the overall company performance and then individual Key Performance Indicators. Decisions on levels of bonuses and dividends always take account of our business objectives, Genesis's long-term interests and our desire to strengthen our capital base.

Information on the link between pay and performance (BIPRU 11.5.18R(2))	Only 3 of the potential Code Staff are remunerated directly by Genesis and they are paid principally by basic salary. There are also two discretionary bonus schemes: one linked entirely to company performance and one to personal performance. There is a share options scheme for senior employees. There is a robust monitoring scheme which assesses the competence and behaviours of Code Staff to ensure they adhere to company standards and TCF principles. This ensures the payment of any personal performance-related bonus is not as a result of inappropriate behaviour. A significant part of the individual's assessment is based on non-financial criteria, with special emphasis on risk management, regulatory compliance and adherence to the firm's values. The remaining potential Code Staff remunerated outside of Genesis: Two by Vestra Wealth, who provide Discretionary Fund Management services.
Aggregated remuneration of Code Staff by business area (BIPRU 11.5.18(6))	The firm is small and is not split into separate business areas. Total Code Staff remuneration by Genesis is only 3 and therefore disclosure of this information is deemed to have the potential of breaching confidentiality.

C Burns
Director
25 July 2017

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities
The principal activity of the company continued to be that of financial advisers.

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

C Burns
A Chaplin
R Jones
G Thomas
S Rijhsinghani
R Kleiner

Results and dividends
The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor
Seymour K Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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

On behalf of the board

C Burns
Director
25 July 2017

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CORNHILL FINANCIAL SERVICES LIMITED

We have audited the financial statements of Cornhill Financial Services Limited for the year ended 31 March 2017 set out on pages 10 to 23. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 the 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 on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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 other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

TO THE MEMBERS OF CORNHILL FINANCIAL SERVICES LIMITED

Matters on which we are required to report by exception

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

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

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

Syed Kazmi ACA (Senior Statutory Auditor)
for and on behalf of Seymour K Limited

25 July 2017

Chartered Accountants
Statutory Auditor

3 Accommodation Road,
London
NW11 0DL

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	1,232,931	1,207,024
Cost of sales		(651,889)	(648,276)
Gross profit		581,042	558,748
Administrative expenses		(532,487)	(496,935)
Operating profit	4	48,555	61,813
Interest receivable and similar income	7	896	1,287
Profit before taxation		49,451	63,100
Taxation	8	(12,128)	(14,417)
Profit for the financial year		37,323	48,683

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	£	£
Profit for the year	37,323	48,683
Other comprehensive income	-	-
Total comprehensive income for the year	37,323	48,683

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
BALANCE SHEET

AS AT 31 MARCH 2017

		2017		2016	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**10**		-		3,653
Current assets					
Debtors	**11**	46,711		66,785	
Cash at bank and in hand		491,343		401,704	
		538,054		468,489	
Creditors: amounts falling due within one year	**12**	(67,888)		(39,299)	
Net current assets			470,166		429,190
Total assets less current liabilities			470,166		432,843
Capital and reserves					
Called up share capital	**14**		600		600
Profit and loss reserves			469,566		432,243
Total equity			470,166		432,843

The financial statements were approved by the board of directors and authorised for issue on 25 July 2017 and are signed on its behalf by:

C Burns
Director

Company Registration No. 05768654

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2015		600	733,560	734,160
Year ended 31 March 2016:				
Profit and total comprehensive income for the year		-	48,683	48,683
Dividends	9	-	(350,000)	(350,000)
Balance at 31 March 2016		600	432,243	432,843
Year ended 31 March 2017:				
Profit and total comprehensive income for the year		-	37,323	37,323
Balance at 31 March 2017		600	469,566	470,166

CORNHILL FINANCIAL SERVICES LIMITED
(FORMERLY GENESIS WEALTH LIMITED)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

		2017		2016	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated from operations	**17**		103,099		20,191
Income taxes paid			(14,356)		(37,293)
Net cash inflow/(outflow) from operating activities			88,743		(17,102)
Investing activities					
Interest received		896		1,287	
Net cash generated from investing activities			896		1,287
Financing activities					
Dividends paid		-		(350,000)	
Net cash used in financing activities			-		(350,000)
Net increase/(decrease) in cash and cash equivalents			89,639		(365,815)
Cash and cash equivalents at beginning of year			401,704		767,519
Cash and cash equivalents at end of year			491,343		401,704

1 Accounting policies

Company information
Cornhill Financial Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

1.3 Turnover
Turnover represents commissions and fees receivable accounted for on an accruals basis.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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

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

Fixtures, fittings & equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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

1 Accounting policies **(Continued)**

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

1.6 Cash and cash equivalents

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

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

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

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

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

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

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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

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

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

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

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

Deferred tax

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

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

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

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

	2017	2016
	£	£
Turnover		
Advisory fee	1,232,931	1,207,024
Other significant revenue		
Interest income	896	1,287

Turnover analysed by geographical market

	2017	2016
	£	£
UK	1,232,931	1,207,024

4 Operating profit

	2017	2016
Operating profit for the year is stated after charging/(crediting):	£	£
Depreciation of owned tangible fixed assets	3,653	1,218

5 Employees

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

	2017	2016
	Number	Number
Administration	11	8

5 Employees (Continued)

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	355,435	347,648
Social security costs	30,035	31,176
Pension costs	7,306	3,711
	392,776	382,535

6 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	126,644	192,933

7 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Interest on bank deposits	896	1,287

8 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	12,189	14,417
Adjustments in respect of prior periods	(61)	-
Total current tax	12,128	14,417

8 Taxation (Continued)

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

	2017	2016
	£	£
Profit before taxation	49,451	63,100
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	9,890	12,620
Tax effect of expenses that are not deductible in determining taxable profit	2,299	1,906
Permanent capital allowances in excess of depreciation	-	(109)
Under/(over) provided in prior years	(61)	-
Taxation charge for the year	12,128	14,417

9 Dividends

	2017	2016
	£	£
Interim paid	-	350,000

10 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
At 1 April 2016 and 31 March 2017	27,512
Depreciation and impairment	
At 1 April 2016	23,859
Depreciation charged in the year	3,653
At 31 March 2017	27,512
Carrying amount	
At 31 March 2017	-
At 31 March 2016	3,653

11 Debtors

Amounts falling due within one year:	2017 £	2016 £
Trade debtors	46,018	-
Prepayments and accrued income	693	66,785
	46,711	66,785

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Corporation tax	12,189	14,417
Other taxation and social security	6,461	1,582
Other creditors	8,559	11,718
Accruals and deferred income	40,679	11,582
	67,888	39,299

13 Retirement benefit schemes

Defined contribution schemes	2017 £	2016 £
Charge to profit or loss in respect of defined contribution schemes	7,306	3,711

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

14 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
400 Ordinary 'A' shares of £1 each	400	400
200 Ordinary 'B' shares of £1 each	200	200
	600	600

The Ordinary 'A' and 'B' shares rank pari passu in all respects save for the payment of a dividend which is at the discretion of the board.

15 Related party transactions

15 Related party transactions (Continued)

During the year commissions of £475,000 (2016: £415,000) were paid to Gerald Edelman Chartered Accountants.

During the year the company paid dividend of £nil (2016: £350,000) to Ordinary 'A' shareholders.

16 Controlling party

The company is controlled by the partners of Gerald Edelman Chartered Accountants.

17 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	37,323	48,683
Adjustments for:		
Taxation charged	12,128	14,417
Investment income	(896)	(1,287)
Depreciation and impairment of tangible fixed assets	3,653	1,218
Movements in working capital:		
Decrease/(increase) in debtors	20,074	(17,872)
Increase/(decrease) in creditors	30,817	(24,968)
Cash generated from operations	103,099	20,191