Company Registration No. 08344703 (England and Wales)

CLARION GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

CLARION GROUP LIMITED

COMPANY INFORMATION

Directors	R D Walker A Walker
Secretary	Hargreaves Mounteney Limited
Company number	08344703
Registered office	Overbank 52 London Road Alderley Edge Cheshire SK9 7DZ
Auditor	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD
Business address	Overbank 52 London Road Alderley Edge Cheshire SK9 7DZ
Bankers	National Westminster Bank Plc Bolton Customer Service Centre P O Box 2027 Parklands, De Havilland Way Horwich Lancashire BL6 4YU Santander UK plc PO Box 382 21 Prescot Street London E1 8AD

CLARION GROUP LIMITED

CONTENTS

CLARION GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present the strategic report for the year ended 30 April 2019.

Fair review of the business
During the year the Clarion Group maintained its focus on delivering the best proposition to its clients.

The business has invested significantly during previous years in the renovation of its offices in Alderley Edge, with the work being completed and the offices moved into during March 2017. While there has been some additional restoration work on the external stonework of the building during the current year, the move has ensured that the business is able to continue to grow as the Group continues to develop its successful business model and deliver a quality service to its clients.

The results show that profit before tax has increased to £1,001,630 (2018: £398,552), although this is largely as a result of significant one-off costs incurred in the prior year, not expected to be repeated.

Principal risks and uncertainties
Although Clarion Group Limited is not a regulated business, its two subsidiary companies, Clarion Wealth Planning Limited and Clarion Investment Management Limited are. As a consequence, consideration is given to regulatory risk, and processes are used to minimise any such risk.

As part of this process we evaluate and further review the risks and uncertainties relevant to our business, key among these are:

- Regulatory risk - the risk of changing regulatory requirements or breaches to existing ones. The business employs external compliance consultants to ensure it stays fully up to date with changes in the regulatory environment. Reviews of client files and advice given are also regularly undertaken.

- Market risk - the risk of loss as a result of the value of client assets decreasing. The business ensures that all advisers are appropriately qualified and receive the support they require to deliver high quality long term financial plans.

- Reputational risk - this is considered to be the risk of loss resulting from damage to the group's reputation. In order to mitigate this high professional standards are required of all staff and the business maintains its status as firms of chartered financial planners.

The analysis ensures we are able to assess any additional risks the business may encounter, and allow us to deliver the best service to our clients and employees.

Financial key performance indicators
Management information is also very important to the group and, as such, the board monitors relevant information, this includes:

- Adviser costs (16% of sales; 25% in 2018).

- Net new and total funds under management (increase 4.3%; 2018: increase 10.1%)

- Cash position (decrease 57%; 2018: increase 205%)

- Operating profit of the business (increase 151%; 2018: decrease 34%)

Other key performance indicators

As part of our core values and processes we also monitor:

- Client retention and satisfaction - Client numbers have increased slightly during the year, with client approval ratings remaining high.
- The quality of our advice and service - The business has maintained its status as a firm of chartered financial planners and supports staff in their continuing professional development. External reviews are also regularly carried out by independent compliance consultants.
- That we have a growth and development plan within the business.

On behalf of the board

Ron Walker

R D Walker

Director

19 August 2019

The directors present their annual report and financial statements for the year ended 30 April 2019.

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

R D Walker
A Walker

Results and dividends
The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £403,125. The directors do not recommend payment of a final dividend.

Sustainable development

We are committed to managing our business in a social responsible manner. The management of environment, employees, health and safety and community issues, in respect of our operations is central to the success of the business. Our commitment to quality, health, education and livelihood opportunities for the communities where we operate has been consistent and progressive.

Employees

The group would like to take this opportunity to thank our staff for their commitment, energy and enthusiasm in achieving their targets that underpin the delivery of these results.

Future developments

The group is looking to make significant progress in the coming financial year.

Post balance sheet events

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

Auditor
The auditor, Jackson Stephen LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report
The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report some of the information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties, which include financial risk management.

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

Ron Walker

R D Walker
Director

19 August 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CLARION GROUP LIMITED

Opinion

We have audited the financial statements of Clarion Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Jackson Stephen LLP

Peter Atkinson F.C.A. (Senior Statutory Auditor)
for and on behalf of Jackson Stephen LLP
Chartered Accountants
Statutory Auditor

20 August 2019

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

CLARION GROUP LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover	**3**	2,978,492	2,870,764
Administrative expenses		(2,054,733)	(2,549,848)
Other operating income		75,963	77,429
Operating profit	**4**	999,722	398,345
Interest receivable and similar income	**7**	1,908	207
Profit before taxation		1,001,630	398,552
Tax on profit	**8**	(183,429)	(107,150)
Profit for the financial year	**21**	818,201	291,402
Retained earnings brought forward		1,474,087	1,182,685
Dividends	**9**	(403,125)	-
Retained earnings carried forward		1,889,163	1,474,087

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

CLARION GROUP LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	**10**		239,015		362,170
Tangible assets	**11**		212,284		342,954
Investment properties	**12**		771,658		771,658
			1,222,957		1,476,782
Current assets					
Debtors	**16**	1,492,561		515,110	
Cash at bank and in hand		348,393		812,371	
		1,840,954		1,327,481	
Creditors: amounts falling due within one year	**17**	(852,991)		(991,294)	
Net current assets			987,963		336,187
Total assets less current liabilities			2,210,920		1,812,969
Provisions for liabilities	**18**		(26,687)		(43,812)
Net assets			2,184,233		1,769,157
Capital and reserves					
Called up share capital	**20**		125,000		125,000
Other reserves	**21**		170,070		170,070
Profit and loss reserves	**21**		1,889,163		1,474,087
Total equity			2,184,233		1,769,157

The financial statements were approved by the board of directors and authorised for issue on 19 August 2019 and are signed on its behalf by:

Ron Walker

R D Walker
Director

Company Registration No. 08344703

CLARION GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	13		503,623		503,623
Current assets					
Cash at bank and in hand		1,726		3,043	
Creditors: amounts falling due within one year	17	(301,600)		(299,792)	
Net current liabilities			(299,874)		(296,749)
Total assets less current liabilities			203,749		206,874
Capital and reserves					
Called up share capital	20		125,000		125,000
Profit and loss reserves	21		78,749		81,874
Total equity			203,749		206,874

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £400,000 (2018: £nil).

The financial statements were approved by the board of directors and authorised for issue on 19 August 2019 and are signed on its behalf by:

Ron Walker

R D Walker
Director

Company Registration No. 08344703

CLARION GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from operations	**26**		1,092,270		650,461
Income taxes paid			(125,179)		(127,742)
Net cash inflow from operating activities			967,091		522,719
Investing activities					
Purchase of intangible assets		-		(43,649)	
Purchase of tangible fixed assets		(6,987)		(62,394)	
Other investments and loans made		(1,022,865)		-	
Interest received		1,908		207	
Net cash used in investing activities			(1,027,944)		(105,836)
Financing activities					
Dividends paid to equity shareholders		(403,125)		-	
Net cash used in financing activities			(403,125)		-
Net (decrease)/increase in cash and cash equivalents			(463,978)		416,883
Cash and cash equivalents at beginning of year			812,371		395,488
Cash and cash equivalents at end of year			348,393		812,371

1 Accounting policies

Company information
Clarion Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Overbank, 52 London Road, Alderley Edge, Cheshire, SK9 7DZ.

The group consists of Clarion Group Limited and all of its subsidiaries.

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, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation
In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1 Accounting policies **(Continued)**

The consolidated financial statements incorporate those of Clarion Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 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.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable in relation to financial services advice provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

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

Lease premium	20% per annum on a straight line basis
Website	33% per annum on a straight line basis

1.7 Tangible fixed assets

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

1 Accounting policies **(Continued)**

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

Leasehold improvements	20% per annum on a straight line basis
Fixtures and fittings	25% per annum on a straight line basis
Office equipment	33% per annum on a straight line basis

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 recognised in the profit and loss account.

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 Accounting policies **(Continued)**

1.11 Cash at bank and in hand

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

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Impairment of financial assets

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

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

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

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 group 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 group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

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.

Derecognition of financial liabilities

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

1.13 Equity instruments

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

1.14 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 group'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 if, and only if, there is 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 Accounting policies (Continued)

1.15 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.

1.16 Retirement benefits

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

1.17 Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.18 EMI share options scheme

The company operates an Enterprise Management Incentive Option Agreement with Key employees of the group. These agreements are intended to constitute the grant of interests for services provided to the company. In accordance with FRS102 Section 26 - Share Based Payment, equity-settled share-based payments are measures at fair value at the date of the grant.

Fair value is measured by use of the Black-Scholes Merton price model. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, together with corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest, where the equity-settled share based payment is material.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

The directors have considered the following areas of estimation or significant judgement:

- the useful life of tangible and intangible fixed assets
- the carrying value of the investment property
- Provision for any bad debts.

No changes in these estimations or judgements were made in the year.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Fees and commission income	2,978,492	2,870,764

	2019	2018
	£	£
Other significant revenue		
Interest income	1,908	207
Rental income arising from investment properties	75,963	77,429

All turnover arose from within the United Kingdom.

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	137,657	137,071
Amortisation of intangible assets	123,155	230,372
Operating lease charges	14,783	17,836
Exceptional item:		
Exceptional professional fees	-	439,482

5 Auditor's remuneration

	2019	2018
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	2,445	2,400
Audit of the financial statements of the company's subsidiaries	9,760	9,550
	12,205	11,950
For other services		
All other non-audit services	275	1,250
	12,480	13,200

6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Administrative and advisory	17	16	-	-

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	942,393	970,937	-	-
Social security costs	97,588	85,367	-	-
Pension costs	45,472	46,924	-	-
	1,085,453	1,103,228	-	-

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	1,908	207

8 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	212,635	125,179
Adjustments in respect of prior periods	(7,853)	-
Benefit arising from a previously unrecognised tax loss or credit	(4,228)	-
Total current tax	200,554	125,179
Deferred tax		
Origination and reversal of timing differences	(17,125)	(11,520)
Changes in tax rates	-	(6,509)
Total deferred tax	(17,125)	(18,029)
Total tax charge	183,429	107,150

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:

	2019	2018
	£	£
Profit before taxation	1,001,630	398,552
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	190,310	75,725
Tax effect of expenses that are not deductible in determining taxable profit	3,160	16,207
Adjustments in respect of prior years	(12,081)	-
Amortisation on assets not qualifying for tax allowances	-	20,372
Other permanent differences	26	-
Deferred tax adjustments in respect of prior years	2,014	-
Changes in future tax rates	-	(5,154)
Taxation charge	183,429	107,150

Reductions in the rate of UK Corporation Tax to 17% by 2020 had been substantively enacted by the balance sheet date. Deferred tax has been calculated at this rate.

9 Dividends

	2019	2018
	£	£
Interim paid	403,125	-

10 Intangible fixed assets

Group	Goodwill	Lease premium	Website	Total
	£	£	£	£
Cost				
At 1 May 2018 and 30 April 2019	542,181	578,189	22,774	1,143,144
Amortisation and impairment				
At 1 May 2018	542,181	231,276	7,517	780,974
Amortisation charged for the year	-	115,638	7,517	123,155
At 30 April 2019	542,181	346,914	15,034	904,129

10 Intangible fixed assets (Continued)

Carrying amount				
At 30 April 2019	-	231,275	7,740	239,015
At 30 April 2018	-	346,913	15,257	362,170

The company had no intangible fixed assets at 30 April 2019 or 30 April 2018.

Amortisation of intangible fixed assets is charged to administrative expenses.

11 Tangible fixed assets

Group	Leasehold improvements	Fixtures and fittings	Office equipment	Total
	£	£	£	£
Cost				
At 1 May 2018	417,765	101,492	89,461	608,718
Additions	-	3,820	3,167	6,987
Disposals	-	(195)	(3,541)	(3,736)
At 30 April 2019	417,765	105,117	89,087	611,969
Depreciation and impairment				
At 1 May 2018	167,106	39,006	59,652	265,764
Depreciation charged in the year	83,553	26,840	27,264	137,657
Eliminated in respect of disposals	-	(195)	(3,541)	(3,736)
At 30 April 2019	250,659	65,651	83,375	399,685
Carrying amount				
At 30 April 2019	167,106	39,466	5,712	212,284
At 30 April 2018	250,659	62,486	29,809	342,954

The company had no tangible fixed assets at 30 April 2019 or 30 April 2018.

12 Investment property

	Group 2019	Company 2019
	£	£
Fair value		
At 1 May 2018 and 30 April 2019	771,658	-

12 Investment property **(Continued)**

The freehold investment property comprises of a commercial property. The fair value, which is also the cost, of the investment property has been arrived at on the basis of a valuation carried out in March 2016 by Derek Gough Associates LLP Chartered Surveyors, who are nor connected with the company. The valuation was made on an open market value on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors consider that the fair value of this asset at 30 April 2019 has not materially changed from this valuation.

13 Fixed asset investments

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Investments in subsidiaries	14	-	-	503,623	503,623

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 May 2018 and 30 April 2019	503,623
Carrying amount	
At 30 April 2019	503,623
At 30 April 2018	503,623

14 Subsidiaries

Details of the company's subsidiaries at 30 April 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Clarion Investment Management Limited	As for Clarion Group Limited	Investment management services	Ordinary	100.00	
Clarion Wealth Planning Limited	As for Clarion Group Limited	Wealth planning services	Ordinary	100.00	

15 Financial instruments

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,237,009	233,142	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	594,199	812,709	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

16 Debtors

	Group 2019	2018	Company 2019	2018
Amounts falling due within one year:	£	£	£	£
Trade debtors	-	17,380	-	-
Other debtors	1,237,009	248,186	-	-
Prepayments and accrued income	255,552	249,544	-	-
	1,492,561	515,110	-	-

17 Creditors: amounts falling due within one year

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Trade creditors	89,522	114,214	-	-
Amounts owed to group undertakings	-	-	301,600	299,792
Corporation tax payable	200,554	125,179	-	-
Other taxation and social security	58,238	53,406	-	-
Other creditors	353,852	249,766	-	-
Accruals and deferred income	150,825	448,729	-	-
	852,991	991,294	301,600	299,792

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2019	Liabilities 2018
Group	**£**	**£**
Accelerated capital allowances	26,687	43,812

The company has no deferred tax assets or liabilities.

	Group 2019	Company 2019
Movements in the year:	**£**	**£**
Liability at 1 May 2018	43,812	-
Credit to profit or loss	(17,125)	-
Liability at 30 April 2019	26,687	-

The deferred tax liability set out above is expected to reverse within 2 years and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

	2019	2018
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	45,472	46,924

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

	Group and company 2019	2018
Ordinary share capital	**£**	**£**
Issued and fully paid		
87,500 Ordinary A shares of £1 each	87,500	87,500
37,500 Ordinary B shares of £1 each	37,500	37,500
	125,000	125,000

21 Reserves

Other reserves

A merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at the time.

Profit and loss account

Profit and loss account - includes all current period retained profits, net of dividends paid.

22 Operating lease commitments

Lessee

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	20,000	20,000	-	-
Between two and five years	40,000	50,000	-	-
	60,000	70,000	-	-

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	396,465	299,941

Included within other creditors is a balance of £243,445 (2018: £211,110) due to a partnership in which one of the directors is also a partner. Management fees of £40,000 (2018: £40,000) have been charged during the year.

Included within other debtors is a balance of £214,025 (2018: £214,025) due from a company in which a director has an interest.

During the year, the group was charged rent of £10,000 (2018: £10,000) by the directors' pension fund for the use of the new premises at 52 London Road, Alderley Edge, Cheshire.

At the year end the group owed the directors £96,490 (2018: £24,738).

24 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
R D Walker	-	-	1,022,865	1,022,865
		-	1,022,865	1,022,865

25 Controlling party

The group is controlled by R D Walker.

26 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	818,201	291,402
Adjustments for:		
Taxation charged	183,429	107,150
Investment income	(1,908)	(207)
Amortisation and impairment of intangible assets	123,155	230,372
Depreciation and impairment of tangible fixed assets	137,657	137,071
Movements in working capital:		
Decrease/(increase) in debtors	45,414	(88,642)
(Decrease) in creditors	(213,678)	(26,685)
Cash generated from operations	1,092,270	650,461