Registered number: 08344703

Clarion Group Limited

Annual report and consolidated financial statements

For the Year Ended 30 April 2017

Clarion Group Limited

Company Information

Directors	R D Walker A B C Walker
Company secretary	Hargreaves Mounteney Limited
Registered number	08344703
Registered office	Overbank 52 London Road Alderley Edge SK9 7DZ
Independent auditors	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD

Clarion Group Limited

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Group Strategic Report
For the Year Ended 30 April 2017

Introduction

The Directors present the Strategic Report for the year ended 30 April 2017.

Business review

During the year, the Clarion Group maintained its focus on delivering the best proposition to its clients, whilst making a significant investment in the renovation of new offices to facilitate the future growth of the business.

The business invested heavily (£719,657) in the renovation of new its offices in Alderley Edge, which were completed and moved into in March. This new office will allow the business to continue to grow in future years and the group continues to develop its successful business model into the future.

The results show that profit before tax has decreased to £604,622 (2016: £1,426,925), although this is largely as a result of significant one-off fees in the prior year and the investment made in the new office.

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 firms' 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 for 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 (31% of sales in 2017, 26% in 2016). These have increased as a result of the aforementioned one-off sales in 2016.
- Net new and total funds under management (increase 21.6%; 2016: increase 13.3%)
- Cash position (decrease 37%; 2016: decrease 23%)
- Operating profit of the business (decrease 58%; 2016: increase 295%)

Other key performance indicators

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

- Client retention and satisfaction – At the beginning of the year the business completed a review of its client base, since then client numbers have remained consistent, with client approval ratings being 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.

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

Ron Walker
....
R D Walker
Director

Date: 8 SEP 2017

Directors' Report
For the Year Ended 30 April 2017

The directors present their report and the financial statements for the year ended 30 April 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £397,206 *(2016 -£1,057,467).*

Dividends of £393,750 (2016: £866,250) were paid during the year.

Directors

The directors who served during the year were:

R D Walker
A B C Walker

Sustainable development

We are committed to managing our business in a socially 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.

Directors' Report (continued)
For the Year Ended 30 April 2017

Future developments

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

Disclosure of information to auditors

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

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

Post balance sheet events

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

Auditors

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Ron Walker

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R D Walker
Director

Date: 8 Sep 2017

Independent Auditors' Report to the Shareholders of Clarion Group Limited

We have audited the financial statements of Clarion Group Limited for the year ended 30 April 2017, set out on pages 7 to 30. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 Auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Financial Reporting Council'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 Group's and the parent 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 Group Strategic Report and the Directors' 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 Group's and the parent Company's affairs as at 30 April 2017 and of the Group's profit or loss 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 matter prescribed by the Companies Act 2006

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

Independent Auditors' Report to the Shareholders of Clarion Group Limited (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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.

Hurst & Company Accountants LLP

Helen Besant-Roberts (Senior Statutory Auditor)
for and on behalf of
Hurst & Company Accountants LLP
Chartered Accountants
Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD
Date: 15 September 2017

Consolidated Statement of Comprehensive Income
For the Year Ended 30 April 2017

	Note	2017 £	*2016 £*
Turnover	4	**2,449,652**	*2,850,349*
Gross profit		**2,449,652**	*2,850,349*
Administrative expenses		**(1,845,173)**	*(1,424,352)*
Operating profit	5	**604,479**	*1,425,997*
Interest receivable and similar income	9	**143**	*928*
Profit before tax		**604,622**	*1,426,925*
Tax on profit	10	**(207,416)**	*(369,458)*
Profit for the financial year		**397,206**	*1,057,467*

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 13 to 30 form part of these financial statements.

Clarion Group Limited
Registered number: 08344703

Consolidated Statement of Financial Position
As at 30 April 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	12		**569,768**		*364,578*
Tangible assets	13		**447,217**		*132,136*
Investment property	15		**771,658**		*771,658*
			1,788,643		*1,268,372*
Current assets					
Debtors: amounts falling due within one year	16	**426,468**		*437,650*	
Cash at bank and in hand	17	**395,488**		*629,293*	
		821,956		*1,066,943*	
Creditors: amounts falling due within one year	18	**(1,071,003)**		*(861,015)*	
Net current (liabilities)/assets			**(249,047)**		*205,928*
Total assets less current liabilities			**1,539,596**		*1,474,300*
Provisions for liabilities					
Deferred tax	20	**(61,841)**		-	
			(61,841)		-
Net assets			**1,477,755**		*1,474,299*
Capital and reserves					
Called up share capital	21		**125,000**		*125,000*
Other reserves	22		**170,070**		*170,070*
Profit and loss account	22		**1,182,685**		*1,179,229*
			1,477,755		*1,474,299*

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

Ron Walker
....
R D Walker
Director

Date: 8 Sep 2017

The notes on pages 13 to 30 form part of these financial statements.

Clarion Group Limited
Registered number: 08344703

Company Statement of Financial Position
As at 30 April 2017

	Note		2017 £		2016 £
Fixed assets					
Investments	14		**503,623**		*503,623*
			503,623		*503,623*
Current assets					
Debtors: amounts falling due within one year	16	-		*500,000*	
Cash at bank and in hand	17	**4,140**		*4,948*	
		4,140		*504,948*	
Creditors: amounts falling due within one year	18	**(300,889)**		*(907,947)*	
Net current liabilities			**(296,749)**		*(402,999)*
Total assets less current liabilities			**206,874**		*100,624*
Net assets			**206,874**		*100,624*
Capital and reserves					
Called up share capital	21		**125,000**		*125,000*
Profit and loss account	22		**81,874**		*(24,376)*
			206,874		*100,624*

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

Ron Walker
....
R D Walker
Director

Date: 8 Sep 2017

Consolidated Statement of Changes in Equity
For the Year Ended 30 April 2017

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2016	125,000	170,070	1,179,229	1,474,299
Comprehensive income for the year				
Profit for the year	-	-	397,206	397,206
Total comprehensive income for the year	-	-	397,206	397,206
Dividends: Equity capital	-	-	(393,750)	(393,750)
Total transactions with owners	-	-	(393,750)	(393,750)
At 30 April 2017	125,000	170,070	1,182,685	1,477,755

Consolidated Statement of Changes in Equity
For the Year Ended 30 April 2016

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2015	125,000	170,070	988,012	1,283,082
Comprehensive income for the year				
Profit for the year	-	-	1,057,467	1,057,467
Total comprehensive income for the year	-	-	1,057,467	1,057,467
Dividends: Equity capital	-	-	(866,250)	(866,250)
Total transactions with owners	-	-	(866,250)	(866,250)
At 30 April 2016	125,000	170,070	1,179,229	1,474,299

The notes on pages 13 to 30 form part of these financial statements.

Company Statement of Changes in Equity
For the Year Ended 30 April 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2016	125,000	(24,376)	100,624
Comprehensive income for the year			
Profit for the year	-	500,000	500,000
Contributions by and distributions to owners			
Dividends	-	(393,750)	(393,750)
At 30 April 2017	125,000	81,874	206,874

Company Statement of Changes in Equity
For the Year Ended 30 April 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2015	125,000	541,874	666,874
Comprehensive income for the year			
Profit for the year	-	300,000	300,000
Contributions by and distributions to owners			
Dividends	-	(866,250)	(866,250)
At 30 April 2016	125,000	(24,376)	100,624

The notes on pages 13 to 30 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 April 2017

	2017 £	*2016* *£*
Cash flows from operating activities		
Profit for the financial year	**397,206**	*1,057,467*
Adjustments for:		
Amortisation of intangible assets	**222,855**	*107,217*
Depreciation of tangible assets	**124,297**	*13,100*
Interest received	**(143)**	*(928)*
Taxation	**207,416**	*369,458*
Increase in debtors	**(6,653)**	*23,876*
Increase in creditors	**318,715**	*290,658*
Corporation tax	**(286,930)**	*(125,144)*
Net cash generated from operating activities	**976,763**	*1,735,704*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(407,170)**	*(150,144)*
Purchase of tangible fixed assets	**(409,791)**	*(132,153)*
Purchase of investment properties	**-**	*(771,658)*
Interest received	**143**	*928*
Net cash from investing activities	**(816,818)**	*(1,053,027)*
Cash flows from financing activities		
Dividends paid	**(393,750)**	*(866,250)*
Net cash used in financing activities	**(393,750)**	*(866,250)*
Net increase / (decrease) in cash and cash equivalents	**(233,805)**	*(183,573)*
Cash and cash equivalents at beginning of year	**629,293**	*812,866*
Cash and cash equivalents at the end of year	**395,488**	*629,293*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**395,488**	*629,293*

1. General information

Clarion Group Limited is a company limited by members capital incorporated in England. The address of the registered office is Overbank, 52 London Road, Alderley Edge, SK9 7DZ. The company number is 08344703.

The nature of the company's operation and its principal activity is that of a holding company. The principal activities of subsidiaries in the group are disclosed in note 14.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 May 2015. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

2.3 Going concern

At 31 December 2016, the group had net current liabilities of £249,047. The ultimate shareholders are owed £369,531. The directors have confirmed that these amounts will not be recalled unless the group has demonstrated that it can pay its debts as they fall due.

As a result, it is appropriate to prepare the accounts on a going concern basis.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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

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

2.5 Intangible assets

Goodwill

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

Other intangible assets

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

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

Amortisation is provided on the following bases:

Goodwill	-	20 % straight line
Other intangible fixed assets	-	20 % straight line

2.6 Tangible fixed assets

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

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	20% Straight line
Fixtures and fittings	-	25% Straight line
Office equipment	-	33% Straight line
Computer equipment	-	33% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Debtors

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

2.10 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.11 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

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

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.16 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.17 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.18 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 measured at fair value at the date of the grant.

Fair value is measured by use of the Black-Scholes Merton pricing 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 a 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and key sources of estimation uncertainty have had the most significant effect on amounts recognised in the financial statements:

Management of the group exercise significant judgement in estimating the following areas:

- The useful life of tangible and intangible fixed assets.
- The carrying value of investment property.
- Provisions for doubtful debts.

Should these estimates vary, the profit or loss and balance sheet of the following years could be impacted.

4. Turnover

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

	2017 £	*2016* *£*
Fees and commission income	**2,449,652**	*2,850,349*

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £	*2016* *£*
Depreciation of tangible fixed assets	**124,296**	*13,100*
Amortisation of intangible assets, including goodwill	**222,855**	*107,217*

6. Auditors' remuneration

	2017 £	*2016 £*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	**2,400**	*2,350*
	2,400	*2,350*

Fees payable to the Group's auditor and its associates in respect of:

	2017 £	*2016 £*
The auditing of accounts of associates of the Group pursuant to legislation	**9,550**	*9,195*
All other non-audit services not included above	**2,850**	*2,300*
	12,400	*11,495*

7. Employees

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

	2017 £	*2016 £*
Wages and salaries	**711,542**	*697,467*
Social security costs	**71,728**	*31,671*
Cost of defined contribution scheme	**28,111**	*94,680*
	811,381	*823,818*

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

	2017 No.	*2016 No.*
Administrative and advisory	**15**	*17*

8. Directors' remuneration

	2017 £	*2016 £*
Directors' emoluments	**12,501**	*10,504*
Company contributions to defined contribution pension schemes	**-**	*80,000*
	12,501	*90,504*

During the year retirement benefits were accruing to no directors *(2016 -2)* in respect of defined contribution pension schemes.

9. Interest receivable

	2017 £	*2016 £*
Other interest receivable	**143**	*928*

10. Taxation

	2017 £	*2016 £*
Corporation tax		
Current tax on profits for the year	**127,742**	*286,930*
Adjustments in respect of previous periods	**-**	*14,963*
	127,742	*301,893*
Total current tax	**127,742**	*301,893*
Deferred tax		
Origination and reversal of timing differences	**79,674**	*67,657*
Changes to tax rates	**-**	*(92)*
Total deferred tax	**79,674**	*67,565*
Taxation on profit on ordinary activities	**207,416**	*369,458*

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2016 -higher than)* the standard rate of corporation tax in the UK of 20% *(2016 - 20%)*. The differences are explained below:

	2017 £	*2016* *£*
Profit on ordinary activities before tax	**604,622**	*1,426,925*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 -20%)	**120,924**	*285,385*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**21,443**	*21,443*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**2,830**	*4,332*
Deferred tax adjustments in respect of prior years	**63,606**	-
Adjustments to tax charge in respect of prior periods	**(1,387)**	*14,963*
Other timing differences leading to an increase (decrease) in taxation	-	*43,335*
Total tax charge for the year	**207,416**	*369,458*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2017 £	*2016* *£*
Dividends paid on equity capital	**393,750**	*866,250*

12. Intangible assets

Group and Company

	Lease premium £	Goodwill £	Total £
Cost			
At 1 May 2016	150,144	542,181	692,325
Additions	428,045	-	428,045
At 30 April 2017	578,189	542,181	1,120,370
Amortisation			
At 1 May 2016	-	327,747	327,747
Charge for the year	115,638	107,217	222,855
At 30 April 2017	115,638	434,964	550,602
Net book value			
At 30 April 2017	462,551	107,217	569,768
At 30 April 2016	*150,144*	*214,434*	*364,578*

Amortisation of intangible fixed assets is charged to administrative expenses.

13. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 May 2016	126,153	15,215	39,543	1,148	182,059
Additions	291,612	76,946	70,819	-	439,377
Disposals	-	(78,316)	(29,358)	(1,148)	(108,822)
At 30 April 2017	417,765	13,845	81,004	-	512,614
Depreciation					
At 1 May 2016	-	15,141	33,634	1,148	49,923
Charge for the period on owned assets	83,553	13,535	27,208	-	124,296
Disposals	-	(78,316)	(29,358)	(1,148)	(108,822)
At 30 April 2017	83,553	(49,640)	31,484	-	65,397
Net book value					
At 30 April 2017	334,212	63,485	49,520	-	447,217
At 30 April 2016	*126,153*	*74*	*5,909*	*-*	*132,136*

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Clarion Wealth Planning Limited	Ordinary shares	100 %	Wealth planning services
Clarion Investment Management Limited	Ordinary shares	100 %	Investment management services

The registered office of all subsidiaries is the same as that of the company, being Overbank, 52 London Road, Alderley Edge, SK9 7DZ.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2016	**503,623**
At 30 April 2017	**503,623**
Net book value	
At 30 April 2017	**503,623**

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 May 2016	771,658
At 30 April 2017	**771,658**

A valuation was undertaken by Derek Gough Associates LLP in March 2016 on an open market value for existing use basis.

The directors consider that the fair value as at 30 April 2017 has not materially changed from this valuation.

16. Debtors

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Trade debtors	**8,816**	*9,935*	-	-
Amounts owed by group undertakings	-	-	-	*500,000*
Other debtors	**214,144**	*250,362*	-	-
Prepayments and accrued income	**203,508**	*159,520*	-	-
Deferred taxation	-	*17,833*	-	-
	426,468	*437,650*	-	*500,000*

An amount of £nil (2016: £nil) was charged to the statement of comprehensive income during the year in respect of doubtful debts.

17. Cash and cash equivalents

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Cash at bank and in hand	**395,488**	*629,293*	**4,140**	*4,948*

18. Creditors: Amounts falling due within one year

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Trade creditors	**133,468**	*31,138*	**-**	*-*
Amounts owed to group undertakings	**-**	*-*	**300,889**	*907,947*
Corporation tax	**127,742**	*286,930*	**-**	*-*
Other taxation and social security	**44,195**	*34,263*	**-**	*-*
Other creditors	**597,838**	*444,056*	**-**	*-*
Accruals and deferred income	**167,760**	*64,628*	**-**	*-*
	1,071,003	*861,015*	**300,889**	*907,947*

19. Financial instruments

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**376,495**	*370,220*	**-**	*500,000*
Financial liabilities				
Financial liabilities measured at amortised cost	**(894,322)**	*(534,315)*	**(300,889)**	*(907,947)*

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals.

20. Deferred taxation

Group

	2017 £
At beginning of year	17,833
Charged to profit or loss	(79,674)
At end of year	**(61,841)**

The deferred taxation balance is made up as follows:

	Group 2017 £
Accelerated capital allowances	(61,841)
	(61,841)

21. Share capital

	2017 £	*2016 £*
Shares classified as equity		
Allotted, called up and fully paid		
87,500 A Ordinary shares of £1 each	87,500	*87,500*
37,500 B Ordinary shares of £1 each	37,500	*37,500*
	125,000	*125,000*

All shares issued are non-redeemable and rank equally in all respects.

22. 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.

23. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £28,111 (2016: £618).

The groups contributions to personal pension schemes during the year amounted to £Nil (2016: £80,000). The assets of the scheme are held separately from those of the company in an independently administered fund.

24. Commitments under operating leases

At 30 April 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £
Land and buildings	
Not later than 1 year	**10,000**
Later than 1 year and not later than 5 years	**30,000**
	40,000

25. Directors' benefits: advances, credit and guarantees

The group provided loans to the directors as follows:

	2017 £	*2016 £*
Amounts owed from/(to) directors at 1 May	**(248,769)**	*215,002*
Advances	**511,041**	*502,639*
Repayments	**(631,803)**	*(966,410)*
Amounts owed to directors at 30 April	**(369,531)**	*(248,769)*

The maximum debtor outstanding during the year was £15,757 (2016: £202,292).

All director loans are interest free and repayable on demand.

26. Related party transactions

Key management personnel

During the year, key management personnel received total emoluments of £249,013 (2016: £290,556).

Other related party transactions

Included within other creditors is a balance of £214,390 (2016: £181,371) due to a partnership of one of the directors. Management fees of £40,000 (2016: £40,000) have been charged during the year.

Included within other debtors is a balance of £214,025 (2016: £168,225) due from a company in which a director has an interest.

During the year, expenses were incurred on behalf of a company owned by one of the directors amounting to £nil (2016: £nil). At the year end £119 (2016: £119) is owed to the group.

During the year, the group was charged rent of £10,000 (2016: £nil) by pension fund for the use of the new premises at 52 London Road, Alderley Edge, Cheshire. The group was also charged rent of £40,000 (2016: £40,000) by a director for the use of the premises at Marble Arch, King Street, Knutsford.

In preparing these financial statements, the directors have taken advantage of the exemptions available under section 33 paragraph 1A of the Financial Reporting Standard 102, and have not disclosed transactions entered into between wholly owned group undertakings.

27. Controlling party

Throughout the period, the company was under the control of R D Walker, by virtue of his majority holding in the voting share capital.

The parent company's profit for the year is £500,000 (2016: £300,000).