

Co House

A & J WEALTH MANAGEMENT LIMITED

Unaudited Financial Statements

For the year ended 31 March 2014



Company Registration Number: 5105933

A & J WEALTH MANAGEMENT LIMITED

Financial statements for the year ended 31 March 2014

| Contents | Pages |
|-----------------------------------|--------------|
| Directors, officers and advisers | 1 |
| Directors' report | 2 |
| Accountants' report | 3 |
| Profit and loss account | 4 |
| Balance sheet | 5 |
| Notes to the financial statements | 6-11 |
| Detailed profit and loss account | 12-14 |

A & J WEALTH MANAGEMENT LIMITED

Directors, officers and advisors

Directors

G S Jones
A C Jones
J S Posgate
M Barrett
G B Vald

Secretary and registered office

A C Jones
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Herts WD3 1JE

Registered number

5105933

Principal place of business

Sawfords
Bigfrith Lane
Cookham Dean
Maidenhead
Berks SL6 9PH

Accountants

Day, Smith & Hunter
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Herts WD3 1JE

A & J WEALTH MANAGEMENT LIMITED

Directors' report for the year ended 31 March 2014

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

Principal activity

The principal activity of the company is to carry out the business of an independent financial advisor and pensions administrator.

Issue of shares

During the year a further 6,666 Ordinary £1 shares were issued at par value as described in note 14 to the accounts.

Acquisition of A&J Group Limited

On 2 January 2014 the company acquired 100% of the issued share capital of A&J Group Limited by issuing a further 6,666 ordinary shares of £1 each to Mr G S Jones and Mrs A C Jones, following directors' valuations. The assets of A&J Group Limited consisted primarily of Intangible Assets in the form of a Client Base and Goodwill, which had been acquired by A&J Group Limited in 2005 from a partnership operated by Mr G S Jones and Mrs A C Jones. The liabilities comprised amounts owing to the company. The intangible assets owned by A&J Group Limited were transferred to the company at their Net Book Value of £625,706 and will continue to be amortised over the directors' estimate of their remaining economic life. The company remains solvent for regulatory purposes if the intangible assets are disregarded.

A&J Group Limited previously charged licence fees of £66,000 per annum for the use of its client base, and the obligation of the company to pay licence fees terminated when the client base was acquired. The investment of £6,666 in A&J Group Limited has been written off. These transactions are more fully described in Note 16 to the financial statements.

Directors

The directors who served during the year were:

G S Jones
A C Jones
J S Posgate
M Barrett
G B Vald

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Signed on behalf of the board



A C JONES
Director

Approved by the Board on 31/10/14

A & J WEALTH MANAGEMENT LIMITED

**Report to the directors on the preparation of the unaudited accounts of
A & J Wealth Management Limited**

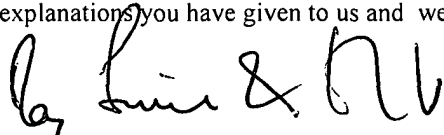
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of A & J Wealth Management Limited for the year ended 31 March 2014 as set out on pages 4 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of A & J Wealth Management Limited, as a body, in accordance with the terms of our engagement letter dated 22 November 2011. Our work has been undertaken solely to prepare for your approval the accounts of A & J Wealth Management Limited and state those matters that we have agreed to state to the Board of Directors of A & J Wealth Management Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than A & J Wealth Management Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that A & J Wealth Management Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of A & J Wealth Management Limited. You consider that A & J Wealth Management Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of A & J Wealth Management Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



Day, Smith & Hunter
Chartered Accountants

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Herts WD3 1JE

13 October 2014

A & J WEALTH MANAGEMENT LIMITED

Profit and loss account for the year ended 31 March 2014

| | Notes | 2014 | 2013 |
|--|-------|-----------------------|-----------------------|
| | | £ | £ |
| Turnover | | 2,204,253 | 1,905,136 |
| Cost of sales | | <u>136,434</u> | <u>85,045</u> |
| Gross profit | | <u>2,067,819</u> | <u>1,820,091</u> |
| Administrative expenses | | 1,420,706 | 1,211,227 |
| Other operating income | | <u>22,564</u> | <u>-</u> |
| Operating profit | 2 | 669,677 | 608,864 |
| Income from fixed asset investments | | - | 36,000 |
| Other interest receivable and similar income | | 8,812 | 5,571 |
| Interest payable and similar charges | | <u>(14,991)</u> | <u>(11,445)</u> |
| Profit on ordinary activities before taxation | | 663,498 | 638,990 |
| Taxation on profit on ordinary activities | 4 | <u>(169,566)</u> | <u>(159,923)</u> |
| Profit for the financial year | 14 | <u><u>493,932</u></u> | <u><u>479,067</u></u> |

The notes on pages 6 to 11 form part of these financial statements.

A & J WEALTH MANAGEMENT LIMITED

Balance sheet at 31 March 2014

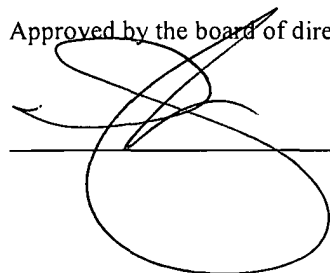
| | Notes | 2014 | | 2013 | |
|--|-------|------------------|-------------------------|--------------------|-----------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 7 | | 612,607 | | - |
| Tangible assets | 8 | | 833,683 | | 789,407 |
| Investments | 9 | | 1,219,941 | | 1,024,941 |
| | | | <u>2,666,231</u> | | <u>1,814,348</u> |
| Current assets | | | | | |
| Debtors | 10 | 264,609 | | 1,042,624 | |
| Cash at bank and in hand | | <u>1,292</u> | | <u>1,072</u> | |
| | | 265,901 | | 1,043,696 | |
| Creditors: amounts falling due within one year | 11 | <u>(990,815)</u> | | <u>(1,031,869)</u> | |
| Net current (liabilities)/assets | | | <u>(724,914)</u> | | <u>11,827</u> |
| Total assets less current liabilities | | | <u>1,941,317</u> | | <u>1,826,175</u> |
| Creditors: amounts falling due after more than one year | 12 | | <u>(643,000)</u> | | <u>(895,568)</u> |
| Net assets | | | <u><u>1,298,317</u></u> | | <u><u>930,607</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 16,666 | | 10,000 |
| Profit and loss account | 14 | | 1,281,651 | | 920,607 |
| Shareholders' funds | | | <u><u>1,298,317</u></u> | | <u><u>930,607</u></u> |

These accounts have been prepared in accordance with the provisions available to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

For the financial year ended 31 March 2014 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the board of directors on 31.03.14 and signed on its behalf.



G S Jones - Director

Company Registration No: 5105933

The notes on pages 6 to 11 form part of these financial statements.

1 Accounting policies**a) Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

b) Turnover

Turnover represents commission and fees receivable, net of claw backs and similar costs excluding value added tax where appropriate.

c) Consolidation

The company forms part of a small group and has therefore taken advantage of the exemption provided by Section 398 & 399 of the Companies Act 2006 not to prepare group accounts.

d) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

| | | |
|--------------------|--------|---------|
| Motor vehicles | 25% | on cost |
| Office equipment | 25% | on cost |
| Computer equipment | 25/33% | on cost |

Freehold buildings are depreciated to write down the cost less residual value over their remaining useful life by equal instalments. Where buildings are maintained to such a standard that their estimated residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

e) Intangible assets

Purchased goodwill is written off as it is paid for, or over the expected useful economic life of the asset, whichever is the shorter.

Goodwill and other intangible assets acquired other than by purchase are written off over the directors' estimate of the useful economic life of the assets.

f) Deferred taxation

Deferred tax is provided in respect of any material tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

g) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

h) Lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account as they fall due.

i) Pension scheme

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

A & J WEALTH MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

2 Operating profit

This is stated after charging:

| | 2014 | 2013 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Amortisation of goodwill | 13,099 | - |
| Depreciation | 29,705 | 12,051 |
| Investment impairment | 6,666 | - |
| | <u>49,470</u> | <u>12,051</u> |

3 Directors' emoluments

| | 2014 | 2013 |
|------------|---------------|----------------|
| | £ | £ |
| Emoluments | 97,409 | 102,537 |
| | <u>97,409</u> | <u>102,537</u> |

4 Taxation on profit on ordinary activities

| | 2014 | 2013 |
|---|----------------|----------------|
| | £ | £ |
| United Kingdom corporation tax at 23% (2013: 24%) | 169,566 | 159,923 |
| | <u>169,566</u> | <u>159,923</u> |

5 Dividends

| | 2014 | 2013 |
|--|----------------|----------------|
| | £ | £ |
| Interim of £10.97 per ordinary share paid (2013: £16.20) | 132,888 | 161,997 |
| | <u>132,888</u> | <u>161,997</u> |

6 Pension commitments and other post-retirement benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contributions payable by the company to the fund and amounted to £48,665 (2013: £31,245). At 31 March 2014 no contributions payable to the fund were included in creditors.

7 Intangible fixed assets

| | Goodwill | Client base | Total |
|------------------------|----------------|----------------|----------------|
| | £ | £ | £ |
| Cost: | | | |
| Additions | 143,919 | 481,787 | 625,706 |
| At 31 March 2014 | 143,919 | 481,787 | 625,706 |
| Amortisation: | | | |
| Charge for the year | 3,062 | 10,037 | 13,099 |
| At 31 March 2014 | 3,062 | 10,037 | 13,099 |
| Net book value: | | | |
| At 31 March 2014 | 140,857 | 471,750 | 612,607 |
| | <u>140,857</u> | <u>471,750</u> | <u>612,607</u> |

A & J WEALTH MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

8 Tangible fixed assets

| | Land and buildings | Motor vehicles | Equipment fixtures and fittings | Computer equipment | Total |
|------------------------|--------------------------|-------------------|---------------------------------------|-----------------------|----------------|
| | £ | £ | £ | £ | £ |
| Cost: | | | | | |
| At 1 April 2013 | 765,349 | - | 66,736 | 83,348 | 915,433 |
| Additions | - | 37,995 | 26,070 | 9,916 | 73,981 |
| At 31 March 2014 | 765,349 | 37,995 | 92,806 | 93,264 | 989,414 |
| Depreciation: | | | | | |
| At 1 April 2013 | - | - | 55,125 | 70,901 | 126,026 |
| Provision for the year | - | 9,499 | 11,198 | 9,008 | 29,705 |
| At 31 March 2014 | - | 9,499 | 66,323 | 79,909 | 155,731 |
| Net book value: | | | | | |
| At 31 March 2014 | 765,349 | 28,496 | 26,483 | 13,355 | 833,683 |
| At 31 March 2013 | 765,349 | - | 11,611 | 12,447 | 789,407 |

A & J WEALTH MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

9 Investments

| | Total |
|------------------|-------------------------|
| | £ |
| Cost: | |
| At 1 April 2013 | 1,024,941 |
| Additions | 201,666 |
| Impairment | (6,666) |
| At 31 March 2014 | <u><u>1,219,941</u></u> |

Listed investments

The market value of listed investments at 31 March 2014 is £199,553.

Subsidiary undertakings

The company's investment, at the balance sheet date, in the share capital of companies include the following:

Avos Limited

Registered in England and Wales

Nature of business: Independent Financial Advisors

Class of shares: Ordinary

Holding: 100%

| | 2014 | 2013 |
|--------------------------------|---------|--------|
| | £ | £ |
| Aggregate capital and reserves | 101,978 | 88,224 |
| Profit for the year | 22,555 | 7,079 |

A & J Group Limited

Registered in England and Wales

Nature of business: Client base Licensor

Class of shares: Ordinary

Holding: 100%

| | 2014 | 2013 |
|--------------------------------|--------|----------|
| | £ | £ |
| Aggregate capital and reserves | - | (15,448) |
| Profit for the year | 15,448 | 389 |

10 Debtors

| | 2014 | 2013 |
|---------------|-----------------------|-------------------------|
| | £ | £ |
| Trade debtors | 169,907 | 214,746 |
| Other debtors | 94,702 | 827,878 |
| | <u><u>264,609</u></u> | <u><u>1,042,624</u></u> |

A & J WEALTH MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

11 Creditors: amounts falling due within one year

| | 2014 | 2013 |
|--|----------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 155,697 | 205,641 |
| Trade creditors | 27,407 | 102,199 |
| Other creditors | 529,963 | 505,976 |
| Corporation tax | 198,930 | 159,923 |
| Other tax and social security | 70,485 | 58,130 |
| Obligations under finance leases and hire purchase | 8,333 | - |
| | <u>990,815</u> | <u>1,031,869</u> |

12 Creditors: amounts falling due after more than one year

| | 2014 | 2013 |
|--|----------------|----------------|
| | £ | £ |
| Bank loans | 363,448 | 394,097 |
| Net obligations under finance leases and hire purchase contracts | 9,722 | - |
| Directors' loan | 269,830 | 501,471 |
| | <u>643,000</u> | <u>895,568</u> |

The bank loan is secured on the company's freehold property, by guarantee for £500,000 given by the directors, G S Jones and A C Jones, and by debenture.

13 Called up share capital

| | 2014 | 2013 |
|---|---------------|---------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| Ordinary shares of £1 each | <u>16,666</u> | <u>10,000</u> |

On 2 January 2014 the company issued a further 6,666 Ordinary £1 shares at par value.

Share options

In a previous reporting period, share options in respect of 1,875 ordinary shares of £1 each, were granted to certain employees under an Enterprise Management Incentive Scheme. The EMI Options were granted subject to the EMI legislation over ordinary shares in the company and can be exercised at a rate of 20% per annum during the period from 19 May 2011 to 19 May 2021 at a price of £62 per share:

- i) in the event of a flotation or a change in control; or
- ii) unconditionally, subject to performance criteria being met.

No share options were exercised during the year.

A & J WEALTH MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2014 (continued)

14 Reserves

| | Profit and loss account |
|-------------------------|-------------------------------|
| | £ |
| At 1 April 2013 | 920,607 |
| Profit for the year | 493,932 |
| Dividends paid (note 5) | (132,888) |
| At 31 March 2014 | <u>1,281,651</u> |

15 Related parties

The company was controlled throughout the current and previous year by Mr and Mrs G S Jones, directors of the company, who between them own 100% of the issued share capital.

Included in creditors due in more than one year are amounts totalling £269,830 (2013: £501,471) owing to Mr and Mrs G S Jones.

During the year dividends of £132,888 (2013: £161,997) were paid to Mr and Mrs G S Jones.

Included in other debtors is an amount of £nil (2013: £740,575) owed by A & J Group Limited. The entire share capital of A & J Group Limited was acquired by A & J Wealth Management Limited on 2 January 2014.

Included in trade creditors is an amount of £86,850 (2013: £70,350) due to A & J Group Limited.

These amounts are interest free and payable on demand.

Licence fees of £49,500 (2013: £66,000) became payable to A & J Group Limited during the year.

Intangible assets were acquired from A & J Group Limited at a cost of £625,706. Balances of £15,341 owing by A & J Group Limited have been provided for.

Included in other creditors is an amount due to Avos Limited, a wholly owned subsidiary of A & J Wealth Management Limited of £162,168 (2013: £145,268).

Included in trade debtors is a balance due from Avos Limited of £59,500 (2013: £63,000).

These amounts are interest free and payable on demand.

During the year, rent of £nil (2013: £36,000) was charged to Avos Limited.

Dividends of £8,801 (2013: £5,517) were received from Avos Limited during the year.