ONE ADVICE GROUP FINANCIAL & LEGAL

One Advice Group Limited

Annual report and financial statements

for the year ended 10 March 2016

Registered number: 8123086

Contents

Strategic Report

This report has been prepared by the directors in accordance with the requirement of section 414 of the Companies Act 2006. The company's independent auditor is required by law to report on whether the information given in the Strategic Report is consistent with the financial statements. The auditor's report is set out on page 17.

Principal activity

The principal activity of the One Advice Group Limited (the 'Group') is to provide the most appropriate financial solution to overly indebted individuals experiencing personal debt problems.

Vision

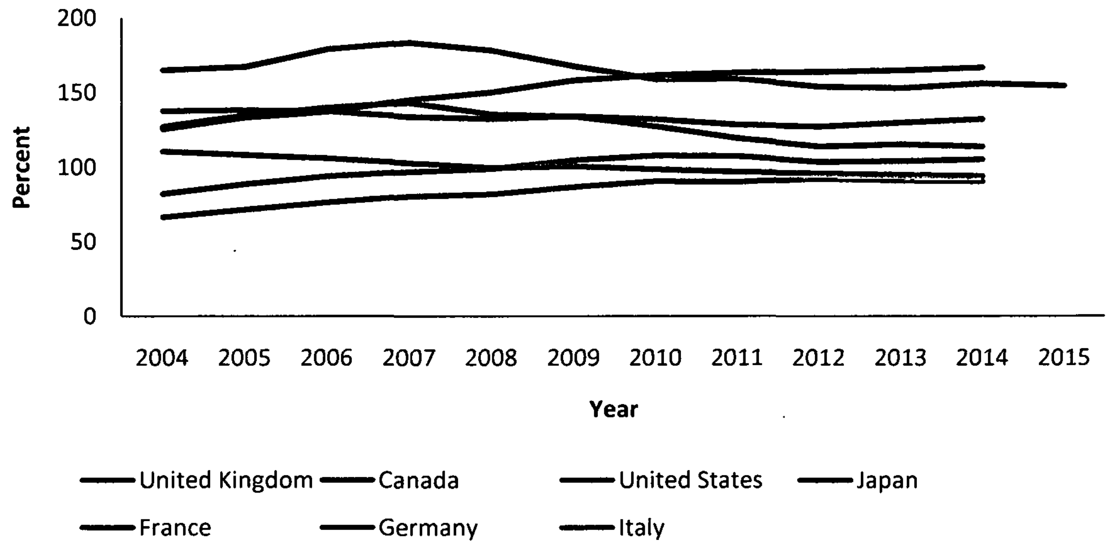
It is our vision to be one of the UK's leading providers of personal insolvency and legal solutions, bringing sustainable financial wellbeing within the reach of our customers. We'll achieve this by always doing the right thing for our stakeholders, acting in a transparent and responsible way.

All of this will be made possible by creating a culture that values and supports our people so they can deliver exceptional service and advice to our customers.

UK Market Context

The UK population has one of the highest levels of personal debt in Europe, a fact explained by the combination of higher levels of home ownership than in mainland Europe (where renting is more common) and the availability of credit cards in the UK since the 1970's. The Money Charity (May 2016) estimates that the average UK household has debts - including mortgages - of £54,740, or £29,266 per adult.

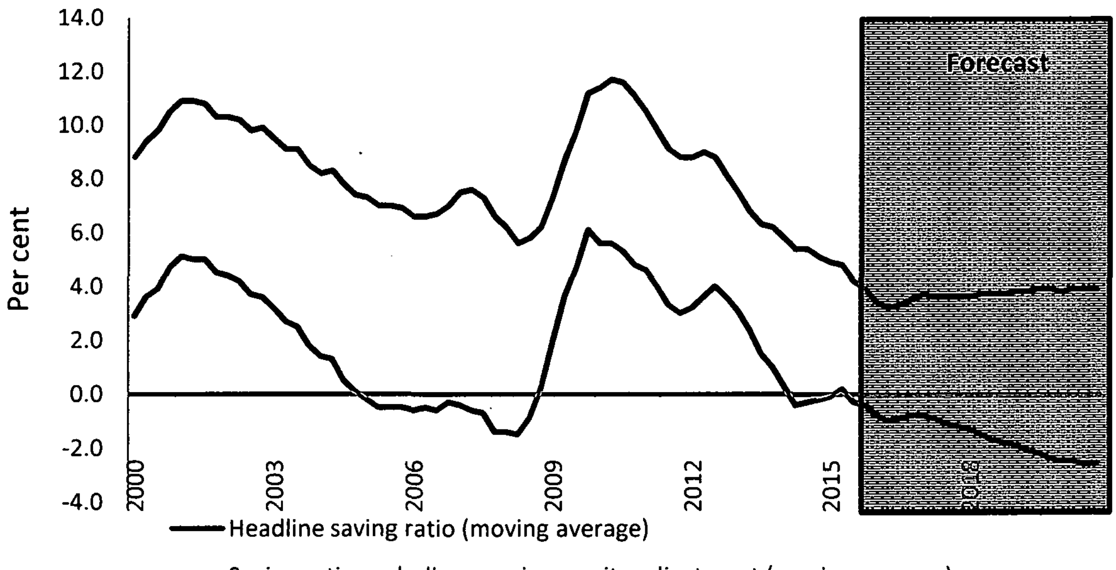
Household debt - Total, % of net disposable income, 2004 – 2015



Source: OECD (2016), Household debt (indicator)

The UK has a low level of savings. In Q1 2016, households saved an average of 5.9% of their post-tax income, including benefits; over the full year of 2015 this was 6.1%. To put that in to context, The Money Charity estimates that 46% of all UK households have less than £1,500 in savings.

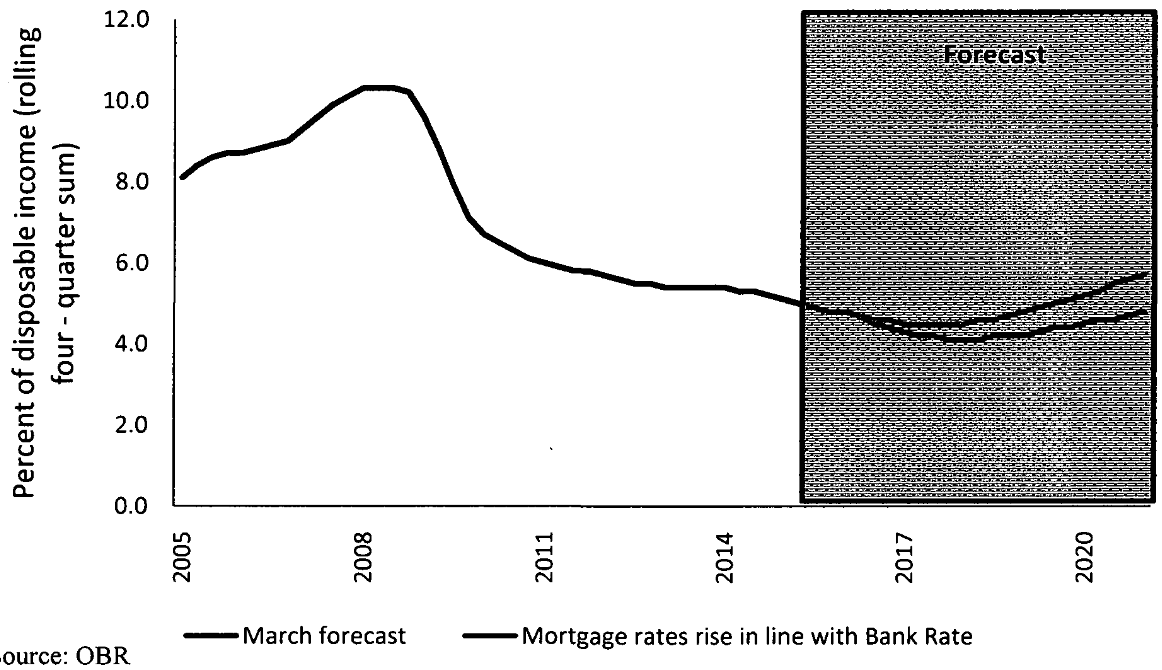
The household saving ratio



Source: OBR

In 2015, total household debt as a percentage of gross disposable income was 153%, having peaked in 2008 at 170%. The combination of high debt and low savings is exacerbated by the fact that households in the lowest wealth cohort are twice as likely to be in debt as those in the highest wealth cohort (ONS, April 2016). As borrowers deal with the fundamental issue of excessive leverage and low savings, the issue of millions of households struggling financially is structural and unlikely to change in the medium term.

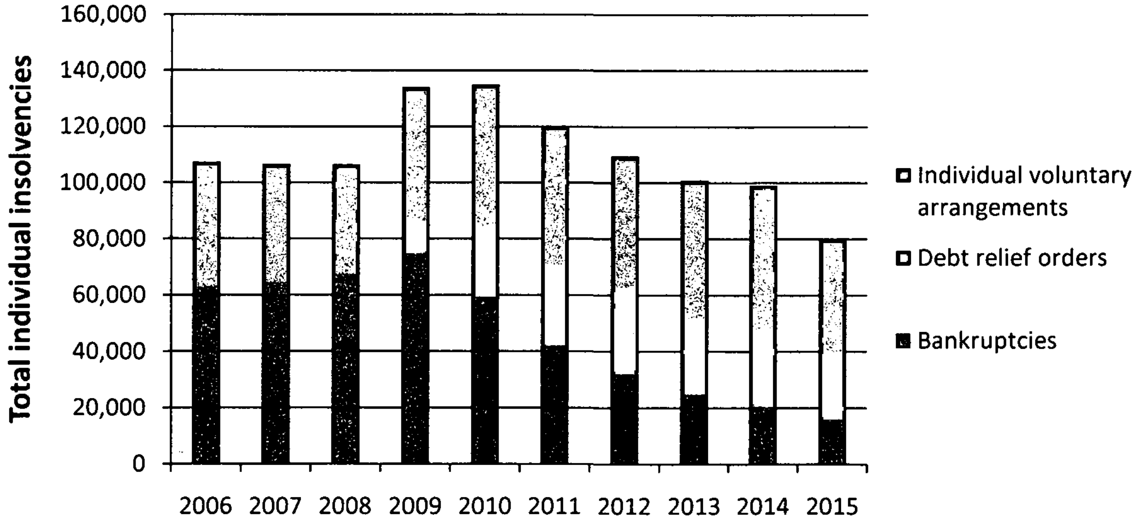
Household debt servicing costs



Source: OBR
OBR

With this said, the combination of benign economic conditions, falling unemployment, low base rates and more responsible lending by creditors led the Insolvency Service to report that, in 2015, total individual insolvencies (IVA's, DRO's and bankruptcies) fell by 19.4% to 80,000 - its lowest level since 2005.

Total individual insolvencies



Source: Insolvency Service

There is a paradox evident here, with millions of households struggling to meet their financial commitments yet the number of new customers going in to a personal insolvency solution falling. Marketing activity may be a contributing factor as it can play a key role informing consumers of the benefits of a product. At present, many consumers with debts are ill informed as to the products available to them and, due to increased scrutiny and regulation, the level of marketing activity - particularly outbound telesales - has reduced over the past two years. It remains to be seen whether there is any medium-term impact (either positive or negative) on consumer awareness as a consequence of this.

Brexit

The approval of the annual report and financial statements takes place shortly after the UK voted to exit the European Union ('EU'). With the UK now in a period of uncertainty as the Government seeks to establish the terms and timing of when the country will leave the EU, the implications for the Group will not be known for a period of time. However, the impacts are potentially wide ranging: at a macroeconomic level, volatility in the global financial markets may in turn affect UK financial stability and ultimately our customers' financial decisions. At a Group level, legislation and regulation currently applicable may change when the UK leaves the EU. At present it is too early to speculate on what form such changes may take and the impact, if any, they may have on the Group. The Board nonetheless considers the need for our customers to access financial solutions in a timely and professional manner to be of paramount importance and will ensure that the company is positioned to comply with any regulatory or commercial changes which result from the EU exit negotiations.

Principal risks and uncertainties

All businesses face a range of risks and uncertainties and are subject to risk factors from both internal and external sources. The Board considers the likelihood and significance of risk factors when putting in place risk management procedures to ensure risk mitigation. The Board also regularly reviews and updates the risk register, with the following four factors considered to be the key risks facing the Group at present:

Regulatory change

From 1 April 2014 the Financial Conduct Authority ("FCA") took over regulatory control of consumer credit, which incorporates debt management firms. This is relevant to Harrington Brooks (Accountants) ltd and Ask Finance Ltd but not One Advice Ltd, whose regulator is the Insolvency Service. All debt management firms are required to comply with the extensive rulebook created as part of this new regulatory regime. The Group welcomes the increased rigour the FCA is applying to the sector to ensure that customers benefit from the debt advice provided and any debt solution recommended. A consequence of FCA regulation is that a large number of debt management firms have already left the sector, either out of choice or because of regulatory enforcement action.

At the time of approving the annual report and accounts, the FCA had not granted full authorisation to any debt manager who holds and distributes client money and the whole sector is operating under Interim Permissions.

IT systems

The management and development of the IT infrastructure and core operational systems is outsourced. This risk is managed through regular meetings with and contractual commitments from the outsourcing partner. The Group invests in its IT systems and has successfully tested its disaster recovery capabilities. It has sufficient resource to both develop and enhance the system capabilities and maintain performance of the existing system.

Marketplace

Changes in macroeconomic factors such as levels of consumer indebtedness, levels of unemployment and changes in interest rates can all affect consumer demand in the debt solutions market. The Group considers the probability of changes in these factors and the likely impact when producing business forecasts and by close monitoring of marketing effectiveness by channel and is able to quickly respond to any marketplace changes.

Funding requirements

The Group has a sizeable funding requirement due to the fact that revenues from customers on DMPs and IVAs are collected over a lifetime of the plan whereas the majority of the Group's operational costs are focused on acquiring customers and back books, and setting up and administering the plans. The Group has a £30m interest only facility with PNC Financial Services UK Limited and monitors compliance against covenants on a monthly basis; liquidity requirements and headroom are reviewed frequently by reference to quarterly business forecasts.

Business Review

One Advice Group: offering integrated solutions for our customers

The One Advice Group of companies assisted over 55,000 individuals in the UK who were in financial difficulty during the group financial year. These were mainly through the provision of debt advice and where appropriate a range of debt solutions including the provision of debt management plans and individual voluntary arrangements. As part of the debt solutions offered the group provides free of charge legal advice to its customers alongside a comprehensive offering of claims solutions to both existing and new customers.

All of our Group companies are subject to appropriate regulation from a variety of regulators. This includes the Financial Conduct Authority for Harrington Brooks (Accountants) Ltd and Ask Finance Ltd and Solicitors Regulatory Authority for Open-Door (Legal Services) Ltd. Our Insolvency Practitioners in One Advice Ltd are subject to regulation by the Insolvency Practitioners Association.

The Group's management focus this year has continued to be on the following key performance indicators ("KPIs") to assess the performance of the Group:

- Turnover ,
- Cost of sales
- Administration expenses
- Cash generation
- Compliance with relevant regulation
- Ensuring customers are treated fairly

The Group businesses generated turnover of £38.5m for the year to 10 March 2016 (2015: £47.6m). It had grown significantly since 2011, primarily as a result of consumers who had become over indebted principally due to taking out payday loans, who then could not meet their repayment obligations across all of their unsecured borrowings. The responsibility for regulation of consumer credit had fallen to the Office of Fair Trading but this was subsequently subsumed into the Financial Conduct Authority. Following major regulatory intervention by the FCA and the Competition and Markets Authority (CMA) since 2014, the payday sector has reduced its marketing activity, so the number of consumers needing debt counselling fell significantly across the whole sector. In addition, many lead generators also left the sector due to increased compliance costs impacting upon their profitability.

Group turnover decreased across all of the core business activities which include debt management plans (DMP's), Individual voluntary arrangements (IVA's) and legal services.

The cost of sales decreased to £25.1m for the year to 10 March 2016 (2015: £30.4m) as a result of decreased activity across the core business activities.

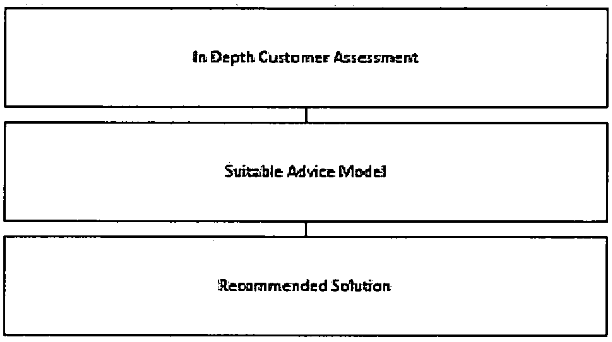
Administrative expenses increased to £17.0m for the year to 10 March 2016 (2015: £16.0m) as a result of the additional costs associated with the FCA application process.

The business generated cash totalling £5.6m from its operating activities for the year to 10 March 2016 (2015: £6.5m) which resulted in a cash inflow before financing of £3.0m (2015: £2.2m). During the year to 10 March 2016 the group reduced its financing by £1.3m (2015 £1.2m).

An integrated Financial Services offering

As indicated above the group has three principal subsidiaries which allow the company to offer in house solutions to the majority of the needs of its customers. Our customers are handled in the following way:

- From an initial inquiry, customers seeking advice and guidance on their debt problems have a free in depth assessment of the circumstances. This process typically takes 45 minutes.
- This information is fed into a 'Suitable Advice Model' and advice is provided and a suitable debt solution is recommended. This may be provided by Harrington Brooks or externally (such as referral to the free advice sector).
- The two main solutions are debt management plans which are administered by Harrington Brooks (Accountants) Ltd. and Individual Voluntary Arrangements administered by One Advice Ltd.



After this process we are clearer on the potential solutions for customers, which could be one or several of the following:

1) Debt Relief Order (DRO);
2) Bankruptcy;
3) Free sector;
4) DMP;
5) IVA;
6) Protected Trust Deed;
7) Sequestration;
8) Secured Loan;
9) No need for any solution

In addition, consumers may have claims such as PPI, elderly health & social care claims, mis-sold package bank accounts or delayed flight claims and these can be managed by Open Door (Legal Services) Ltd. In addition, Open Door provides free legal services to customers of Harrington Brooks.

Providing debt management solutions: Harrington Brooks (Accountants) Limited

The main subsidiary of the business sources and manages debt management plans for customers. Following the FCA taking over the regulation for debt management plans in 2014 from the OFT, there has been a significant change in the sector which has resulted in many companies exiting. The rules surrounding marketing promotions have been tightened and enforcement activity has taken place among some firms. In addition compliance and oversight requirements have been significantly elevated.

As at August 2016, no firms with interim authorisation (i.e. those that handled client monies) had been granted full authorisation by the FCA for debt management and debt adjusting. The FCA has indicated though that a decision on which firms are to be given full authorisation will be given soon.

The Harrington Brooks debt management back book was 33,187 customers as of 10 March 2016 (2015: 42,818). The management team has taken a deliberately cautious approach ensuring that it meets the threshold conditions for full authorisation, and has therefore scaled back on new business. Once the business is fully authorised, the management team believes that there will be more opportunities in the marketplace to grow the business further.

The business has a rigorous approach to ensuring it is compliant with FCA guidelines and manages this through a comprehensive and continuous compliance, coaching and development culture.

One area of particular focus is our vulnerable customers. In 2016 we hosted a creditor conference where best practice was shared. In addition, we launched a Specialist Support Unit within Debt Management Operations in March 2016.

Providing bespoke solutions: One Advice

Harrington Brooks
Helping you take control

One Advice is the group subsidiary that manages Individual Voluntary Arrangements (IVAs) for its customers. The Insolvency Practitioners in this business are licensed by the Insolvency Practitioners Association. Consumer demand for IVAs peaked in 2014 with 52,190 [source: Insolvency Service Statistics] IVAs approved that year. However, volumes dropped in 2015 (39,993 registered IVAs) [source: Insolvency Service Statistics] attributed mainly to the economic recovery as well as the introduction of the FCA regime in April 2014. This led to a reduction in the number of lead sources for the business, who were either unwilling or unable to comply with the new FCA requirements on debt advice.

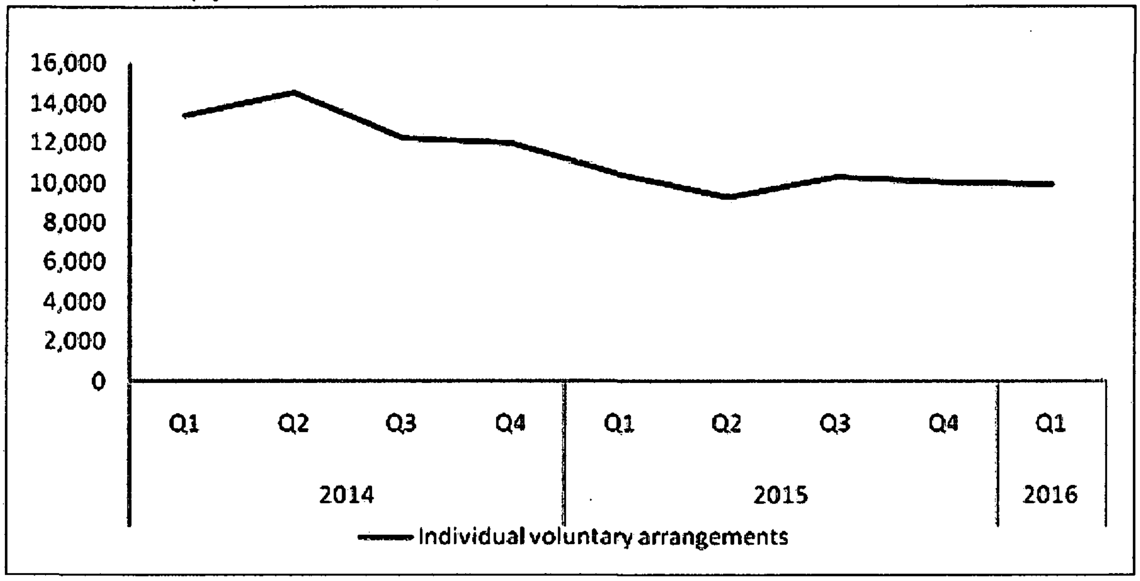
Activity in the first half of 2016 however suggests a recovery in the market, with early estimates indicating that 2016 could see in the region of 46,000 new IVAs. This increase can again be attributed to the impacts and effect of the new FCA regime. It is clear from market speculation that some debt management companies will exit the market, so the expectation is that many of their customers will turn to the IVA sector for an alternative solution.

IVAs continue to be the most buoyant of formal individual insolvency solutions, with consumers showing a marked preference for IVAs over other solutions. In 2011 IVAs accounted for 40% [source: Insolvency Service Statistics] of the personal insolvency market. The market share has increased year on year since then, peaking at 52.6% [source: Insolvency Service Statistics] in 2014. Today, Insolvency Service statistics show that IVAs account for 50% [source: Insolvency Service Statistics] of all formal individual insolvencies.

The industry has also witnessed some consolidation in this market, with an increase in concentration amongst the largest firms. Based upon recorded activity in the first part of 2016 it is estimated that the top five IVA providers (of which One Advice is one) now account for some 64% of the new business market [source: Insolvency Service Statistics, debtcamel.co.uk]. In 2015 there were 18 firms undertaking more than 500 IVAs in a year [source: debtcamel.co.uk]. Today there are only 11 firms undertaking the equivalent (i.e. more than 250 IVAs in six months) [source: debtcamel.co.uk]. The mid-sized firms would appear to be the main losers from this. Last year there were eight firms doing between 500 and 1,000 cases a year; now there are only two doing this equivalent level of business.

Competition in the IVA sector has also increased as some companies have switched from generating debt management leads to just IVA leads, primarily due to the aforementioned tighter regulation within the debt management sector. This has driven up the cost of customer acquisition although it has now stabilised as debt funding of their operations has become harder to obtain.

IVA's (by Quarter) from 2014 to Q1 2016



Source: Insolvency Service

In summary, One Advice Group is well placed to take full advantage of these ongoing changes to this market and within the sector in general. It achieved a healthy increase in the number of new IVA appointments throughout 2015 with forecasts for 2016 indicating new appointments at a rate of around 600 per month. As of March 2016 One Advice has 23,748 live IVAs under its Supervision (March 2015: 22,911).

Providing comprehensive customer service: Open-Door (legal services) limited

OPENDOOR
Welcome to a better legal & financial future

OpenDoor is an Alternative Business Structure (ABS) business regulated by the Solicitors Regulation Authority (SRA). The business employs two qualified solicitors who are able to supervise all advice and work carried out by its fifty employees.

The business is governed from a compliance perspective by two roles, both a requirement of the SRA: a Compliance Officer For Legal Practice (COLP) and a Compliance Officer For Finance And Administration (COFA). In addition the business also adopts a Risk, Compliance & Audit Committee (RCAC) which invites the COLP, COFA plus its external regulatory compliance partner Riliance to monitor its conduct.

Legal Support

The business provides internal legal support to the group in the form of in house legal counsel.

It also provides free legal support to HBA and OAL customers on any creditor related matters. This can include the provision of real-time legal advice on how best to deal with bailiffs and negotiating payments on their behalf. In the year the business has helped over 7,500 group customers, equivalent to an estimated £500,000 of free advice.

Financial Claims

Revenue in this division was £4.5m for the year to 10 March 2016 (2015: £4.5m) from over 8,000 successful claims. This includes an asset recovery service, particularly for Insolvency Practioners firms (IP's). In total this service recovered over £9.5m of redress for the company's clients during the course of the year.

The services offered on a direct to consumer basis are Payment Protection Insurance (PPI), Packaged Bank Account (PBA) where the business seeks to recover mis-sold PPI and PBA premiums/fees. In addition the business handles Care Home Claims (CHC), where the consumer has been mis-assessed for Care Home funding. The business looks to recover the Care Home Fees the consumer has paid if, after a full assessment by its legal team and advocates, it is deemed that the consumer should not have paid them. In the year the business helped recover £45.6m for its customers.

Outlook for legal services

Future PPI claims revenue will become time statute barred, which the FCA has confirmed will be the middle of 2019. The business is developing other legal, financial claim services and IVA asset recovery services. The business is also well placed to expand in to debt recovery services on a business to business basis

Customer Focus

The Group promise is to put our customers at the heart of all that we do; to help them to manage their finances and become free from debt in a way that is supportive, efficient, professional and open.

In offering a customer-centric service that is compliant and treats customers fairly, we aim to provide efficient and professional services that ensure:

Customers receive the most suitable solution to their problem based on a thorough information assessment that treats the customer with integrity, care and diligence. And if/when their circumstances change we have effective communication and customer relationship management processes in place to ensure we can change the solution accordingly.

Customers understand the products and services made available to them, are able to make an informed choice based on suitable advice and effective guidance, and that they are then able to work together with our service providers over a period of time to resolve their personal insolvency, financial and/or legal issues.

Customers have constant access to support and information, provided in a form(s) that is appropriate to their personal needs, relating to their plan including term, balances and progression towards becoming debt or problem free. And when desired and appropriate, support with other related matters such as legal advice, money-saving options and assistance with money management.

Corporate and Social Responsibility (CSR)

The One Advice Group is one of the North West's largest employers, with over 500 staff members operating in Sale, Manchester. Locally, communities experience high levels of indebtedness and the Group recognises the need to integrate our business values and operations to meet the expectations of all stakeholders – from employees to customers, the wider community, investors and suppliers. Much of our CSR activity focuses on the following key commitments:

1. Embed and develop our **vision and values** as we "do the right thing" for our stakeholders.

As a regulated business we are mindful of our responsibility to 'treat our customers fairly'. In our opinion this extends to all of our relationships with our stakeholders – staff, families, community, suppliers, local and national authorities, influencers and others – where our commitment is to try and treat everyone fairly. This is not just 'doing the right thing' in the community with our involvement with local schools, or being flexible on our commercial terms with smaller suppliers, but is a state of mind that we seek to engender across all who work in our business.

We are very aware of the responsibility we have for our customers and the often desperate situations they find themselves in. As their testimonials (below) indicate these are the best evaluation of us doing the right things for them, embedding our vision to enable those customers find a better, safe, place.

Across all our businesses we encourage all staff to be mindful and respectful of our responsibilities to each other, customers and the community, and ensure that resources are made available to realise these commitments.

2. **Support local** so that local communities, residents and businesses, including OAG as a group of businesses, can prosper. Many of our own colleagues and their families live locally.

Since we started measuring our fund raising efforts in 2014, colleagues have raised over £30,000 for local charities (£7,000 in the financial year), community projects and our Charity of the Year, which for 2016/17 is The Christies NHS Foundation. In addition, the value of our time and expertise given through volunteering and mentoring is cumulatively c£20,000 of which c£15,000 is in the financial year.

3. Be a **provider of choice** by bringing sustainable financial wellbeing within the reach of our customers.

We have achieved a closer engagement with creditors (an important part of the service we deliver to customers) as well as opportunities for colleague learning and development and networking. We have achieved this by providing opportunities to work collaboratively –both internally and externally - to understand best practice and have a measurable impact for and on a variety of stakeholders. A great example being the progression of the Specialist Support Unit.

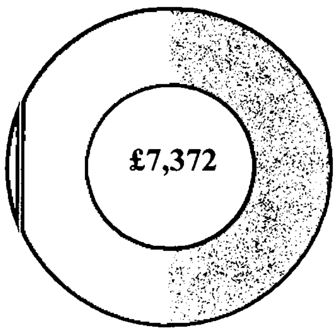
Being a responsible business provides us with a point of difference as we are able to demonstrate a positive impact in areas that matter to our stakeholders; testament to this was the response received to the Creditor Conference which took place earlier this year. Demonstrating responsibility also gives customers a reason to choose us over other providers, as well as helping garner credibility, trust and reputation.

4. Fulfil our commitment to **Financial Education of Future Generations** using the knowledge and experience we have in the business, to create better financial outcomes in the future.

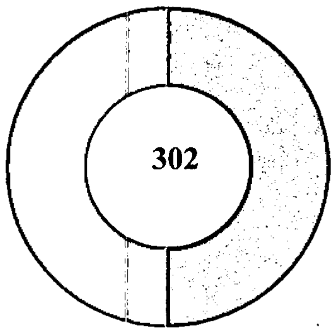
We continue to support local schools and colleagues in their delivery of the core curriculum, talent / career pathways and financial education, with mentors from the Group having recently helped deliver the Mosaic Business Enterprise Challenge at Newall Green High School.

Value of time

Money raised



Children taught



5. Be an **employer of choice**, attracting and retaining talent which in turn helps to create the "glue" that binds colleagues and the business.

There is evidence to show that colleagues who undertake CSR work are more likely to be happy employees, who take less time off and are more engaged. We firmly believe that happy colleagues create happy customers. Since we introduced the 2 hours per person per month CPD time that can be used for learning, training, qualifications, volunteering and mentoring 20% (+10% on last year) have engaged with different opportunities to give and gain.

Our value to our customers – in their own words

We welcome customer feedback via the Independent Review Centre site and Trust Pilot. These are unsolicited, in the words of the customer, and those with critical feedback on the customer experience are acted upon within the business.

Those customers who have found our services to be of value to them are in the majority, as indeed are the scores for satisfaction we receive via these independent reviewers, at the latest count our customers rate us **9.6** out of 10, based on **1633** reviews. We are proud of our services to customers. As these examples indicate, we have made a difference to their lives:

Shirley2 months ago

I was extremely scared to open my door because I thought every knock was the bailiffs. ....thanks to Harrington Brooks I can open my door without fear.

Alison 2 months ago

From the very first phone call Harrington Brooks were kind, understanding and nothing was too much trouble. they kept us informed all the way and even call now everything is in place to make sure everything is ok. amazing service!!!!!

Gordon 3 months ago

I was a bit worried at first because I had so much debt. However after one phone call, and then a call back to me, my mind was soon made up. The way forward was a clear road. There has been the usual letters and phone calls off creditors. I forward any letters I have to Harrington Brooks who deal with them for me. Phone calls . I instruct the callers to contact Harrington Brooks. I can now focus on my future again. Thank you Harrington Brooks.

Paul 4 months ago

All the years of dread, worry and stress of trying to do the impossible. Debt is a killer like a cancer, it grows, it's relentless, it's never ending or at least thats what I thought then when I reached the end and made a new years resolution to make all the madness, if not go away but to put it in its place and start hoping for a real chance to breath again. I should have done this years ago.

By order of the board

M J Cheetham

Director

31/08/2016

Directors' report

The directors present their annual report and audited financial statements for the year ended 10 March 2016.

Dividends

No dividend has been paid or proposed in the current year (2015: £nil).

Directors

The directors who held office during the period and up to the date of the Directors' Report were as follows:

J Dillon

A Hay

M J Cheetham

R Grainger

S P Evans (appointed 25/03/2015)

S J Yates (appointed 08/10/2015)

M D Healy (appointed 08/10/2015)

Financial instruments

The Group's financial instruments comprise cash and liquid resources that arise directly from operations. The main purpose of financial instruments is to fund the Group's operations. As a matter of policy the Group does not trade in financial instruments, nor does it enter into any derivative transactions.

Employees

The company policy is to give all applications for employment from disabled persons full consideration in relation to the vacancy concerned and in the event of existing staff becoming disabled, every effort is made to enable them to maintain their present position or to employ them in suitable work in another department. As far as possible the company provides the same level of training, regardless of physical disabilities, and is an equal opportunity employer. The company recognises the importance of achieving effective communication and consultation with its staff and maintains this through close contact.

Political contributions

The company made no political donations nor incurred any political expenditure during the year.

Accounting Framework

The accounting framework has changed from old UK GAAP to Financial Reporting Standard 102 (FRS 102). These are the first accounts to be prepared under FRS102 and the comparatives have been restated to this basis. There has been no material change to the comparative year as a result of the adoption of FRS 102.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

A resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board:

Matthew Cheetham

Director

31/08/2016

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102, *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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of One Advice Group Limited

We have audited the financial statements of One Advice Group Limited for the year ended 10 March 2016 set out on pages 18 to 36. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102, *The Financial Reporting Standard* applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 10 March 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK 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 the information given in the Strategic Report and Directors' Reports for the financial period for which the financial statements are prepared are consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Richard Gabbertas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Profit and Loss Account and Other Compehensive Income

For the year ended 10 March 2016

	Note	Year ended 10 March 2016 £'000	Year ended 10 March 2015 £'000
Turnover	2	**38,492**	47,578
Cost of Sales		**(25,072)**	(30,378)
Gross Profit		**13,420**	17,200
Administrative Expenses	3	**(17,013)**	(15,947)
Group Operating (Loss)/Profit		**(3,593)**	1,253
Share of operating profits in associates		**-**	4
Total Operating (Loss)/Profit		**(3,593)**	1,257
Interest Receivable and similar income		**2**	2
Interest payable and similar charges	6	**(4,601)**	(4,192)
Loss on ordinary activities before taxation	3	**(8,192)**	(2,933)
Tax on Loss on ordinary activities	7	**671**	67
Loss for the year		**(7,521)**	(2,866)
Total comprehensive income for the year		**(7,521)**	(2,866)

All amounts relate to continuing operations. The notes on pages 23 to 36 form part of these financial statements.

Consolidated Balance Sheet
As at 10 March 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Intangible assets	9	**30,905**	34,011
Tangible assets	10	**677**	707
		31,582	34,718
Current assets			
Debtors	11	**10,495**	12,069
Cash at bank and in hand	12	**941**	747
		11,436	12,816
Creditors: amounts falling due within one year	13	**(2,893)**	(3,413)
Net current assets		**8,543**	9,403
Total assets less current liabilities		**40,125**	44,121
Creditors: amounts falling due after one year	14	**(48,580)**	(46,779)
Provision for liabilities	15	**(2,678)**	(878)
Net assets		**(11,133)**	(3,536)
Capital and reserves			
Called up share capital	17	**10**	10
Share premium account		**980**	980
Treasury shares		**(76)**	-
Profit and loss account		**(12,047)**	(4,526)
Shareholders' deficit		**(11,133)**	(3,536)

These financial statements were approved by the board of directors on 31/08/2016 and were signed on its behalf by:

M J Cheetham
Director

Company Balance Sheet
As at 10 March 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Investment in subsidiaries	8	**720**	720
		720	720
Current assets			
Debtors	11	**270**	270
Net current assets		**270**	270
Net assets		**990**	990
Capital and reserves			
Called up share capital	17	**10**	10
Share Premium Account		**980**	980
Profit and loss account		**-**	-
Shareholders' funds		**990**	990

These financial statements were approved by the board of directors on 31/08/2016 and were signed on its behalf by:

M J Cheetham
Director

Consolidated Cash Flow Statement
For the year ended 10 March 2016

	Group	
	Year ended 10 March 2016	Year ended 10 March 2015
	£'000	£'000
Cash flows from operating activities		
Loss for the year	**(7,519)**	(2,866)
Adjustments for:		
Depreciation	**296**	319
Amortisation of goodwill	**1,783**	1,782
Amortisation of intangible assets	**3,617**	7,694
Interest payable and similar charges	**4,601**	4,192
Interest receivable and similar income	**(2)**	(2)
Loss on disposal of tangible assets	**20**	-
Taxation	**(671)**	(67)
Decrease/(increase) in debtors	**2,235**	(2,651)
(Decrease) in creditors	**(556)**	(1,823)
Increase/(decrease) in provision for liabilities	**1,800**	(209)
Tax recovered	**-**	135
Net cash inflow from operating activities	**5,604**	6,504
Returns on investments and servicing of finance		
Interest received	**2**	2
Dividends received from associates	**-**	66
Payments to acquire tangible fixed assets	**(286)**	(386)
Payments to acquire intangible fixed assets	**(2,294)**	(3,949)
Net Cash flows from investing activities	**(2,578)**	(4,267)
Financing		
Purchase of treasury shares	**(76)**	-
Proceeds from finance lease	**93**	-
Payment of finance lease liabilities	**(12)**	(38)
Interest on finance lease payments	**(2)**	(2)
Interest paid	**(1,347)**	(1,152)
Net cash (outflow)/inflow from financing	**(1,344)**	(1,192)
Increase/(decrease) in cash in the year	**1,682**	1,045
Cash and cash equivalents at 11 March	**(19,887)**	(20,932)
Cash and cash equivalents at 10 March	**(18,205)**	(19,887)

Statement of Changes in Equity
For the year ended 10 March 2016

Group

	Share Capital £'000	Share Premium £'000	Treasury Shares £'000	P & L Account £'000	Total Equity £'000
At 11 March 2014	10	980	-	(1,660)	(670)
Comprehensive income for the year					
Loss for the period	-	-	-	(2,866)	(2,866)
At 10 March 2015	**10**	**980**	-	**(4,526)**	**(3,536)**
At 11 March 2015	10	980	-	(4,526)	(3,536)
Treasury shares acquired	-	-	(76)	-	(76)
Comprehensive income for the year					
Loss for the period	-	-	-	(7,521)	(7,521)
At 10 March 2016	**10**	**980**	**(76)**	**(12,047)**	**(11,133)**

Company

	Share Capital £'000	Share Premium £'000	P & L Account £'000	Total Equity £'000
At 11 March 2014 & 10 March 2015	**10**	**980**	-	**990**
At 11 March 2015 & 10 March 2016	**10**	**980**	-	**990**

Notes

(forming part of the financial statements)

1. Accounting Policies

One Advice Group Limited (the "Company") is a company limited by its shares and incorporated and domiciled in the UK.

Basis of Preparation

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Group and company have made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Group is provided in note 22.

The Group has not taken any first-time adoption exemptions from the full requirements of FRS 102.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- Related party transactions have not been disclosed for transactions between group companies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Group and Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in note 21.

Going Concern

The Group's business activities, together with the principal risks and uncertainties likely to affect its future development and position, are set out in the Strategic Report on pages 1 to 5.

Harrington Brooks Limited, part of the group of which One Advice Group Limited is the ultimate parent company, holds the £30 million five year interest only revolving credit facility with PNC Financial services. The group's banking facility matures in 2018 and in advance of this date management has commenced an exercise to replace this facility either through a renewal with the existing lenders or with a new lender.

The facility along with Loan notes held within Harrington Brooks Group Limited amounting to £29.4 million at the year end, provide the financing to the other Group companies. All Group companies are party to a cross parties guarantee on these facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility, be covenant compliant and meet repayments and other creditor payments as they fall due.

One Advice Group recognise that regulation is a significant threat, but also a significant opportunity for the business. The FCA regulated business within the OAG Group is circa 50% of the Group. The other subsidiaries within the Group could continue to trade irrespective of the outcome of the FCA authorisation. The board of directors remain fully committed (both in terms of time and investment) to achieving authorisation and therefore do not believe that there is a limitation to the business being considered a going concern at this present time.

The directors have a reasonable expectation that the Group and Company have adequate resources to service its debt commitments and continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes (continued)

1. Accounting Policies (Continued)

Basis of Consolidation
The Group financial statements consolidate the financial statements of One Advice Group Limited and all its subsidiary undertakings drawn up to 10 March 2016. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an undertaking in which the Group has significant influence, but no control, over the operating and financial policies of the entity. Significant influence is presumed to exist when investors holds between 20% and 50% of the equity voting rights.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments are carried at cost less impairment.

Basic financial instruments

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Turnover

The turnover in the group profit and loss account represents amounts in respect of the provision of financial solutions to individuals experiencing personal debt problems.

Debt management plans

Turnover derived from management fees collected from clients for personal debt management plans (both initial and ongoing management fees), is recognised as the services are provided to clients and is stated net of VAT.

Individual Voluntary Arrangements (IVA)

Turnover from Individual Voluntary Arrangements (IVA) is recognised as follows:

1. **Nominee fees** - on completion of a successful creditors' meeting.
2. **Supervisory fees** - on a monthly basis, commencing from the month in which the nominee fee amount has been collected from the customer.

Other

Turnover from claims is recognised at the point of a successful claim. Claims income consists of mis-sold PPI, mis-sold packaged bank accounts and Care Home claims.

Turnover from legal advice and review fees is recognised as earned.

Turnover from other commission income and royalties is recognised as services are provided to clients.

Notes (continued)

1. Accounting Policies (Continued)

Intangible fixed assets and amortisation
Intangible fixed assets can be split into five categories:

1) *Goodwill*
Goodwill represents the excess of the fair value of the consideration given and associated costs over the fair value of the net assets acquired. Goodwill arising on the acquisition of subsidiary undertakings and trading assets is capitalised at cost and subsequently amortised over its estimated useful life.

   Goodwill has no residual value and the finite useful life of goodwill is estimated to be 20 years. Harrington Brooks was established in 1998 and has been operating in the same sector for over 18 years. During this time the business has been successfully sold on two occasions to Private Equity investors as a going concern.

2) *Back book and referral purchases*
Expenditure on back books is capitalised on the date of acquisition. Purchased back books are clients who have previously held an Arrangement with another provider and have made payments under that Arrangement, whereas referral purchases are clients who had entered an Arrangement with another provider but had not made any payments under that agreement at the date of acquisition. Capitalised back book and referral purchases are stated at cost less accumulated amortisation and are amortised over a period that reflects a prudent assessment of attrition in the books.

   DM backbooks are amortised over a period between 18 months and 5 years.

   IVA backbooks are amortised over a perod of between 3-4 years and IVA purchased referred client debt is written off in the month of acquisition.

3) *Software development costs*
Expenditure on development activities is capitalised if the process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials and direct labour. Other development expenditure is expensed as it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairments and amortised over three years on a straight line basis, which is deemed to be the period of time in which the expected future economic benefits will flow to the entity.

4) *Domain names*
Domain names are acquired by the company and capitalised at cost. Renewal costs are charged through the profit and loss account as a business expense as incurred. Domain names are being amortised over four years on a straight line basis, which is deemed to be the period of time in which the expected future economic benefits will flow to the entity.

5) *Website development costs*
Website development costs are capitalised at cost. Minor website development costs are charged through the profit and loss account as a business expense as incurred. Capitalised website development costs are being amortised over two years on a straight line basis, which is deemed to be the period of time in which the expected future economic benefits will flow to the entity.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102 Section 27 *Impairment of assets* when there is an indication that goodwill or an intangible asset may be impaired.

Fixed assets and depreciation
Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Notes (continued)

1. Accounting Policies (Continued)

Fixed assets and depreciation (continued)

The group assesses at each reporting date whether tangible assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the period of time in which the expected future economic benefits will flow to the entity from each part of an item of tangible assets. Leased assets are depreciated over the shorter of this basis and of the lease term. The depreciation policy is as follows:

Furniture, fixtures & fittings and equipment	15%
Computer equipment	33%
Telephones	25%
Property lease costs	20%
Telephone	33%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Leases

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

1. Accounting Policies (Continued)

Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments
In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost, less amounts written off.

Provisions
A provision is recognised in the balance sheet when the entity has an obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and that can be reliably measured. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

2. Turnover

	Group	
	2016	2015
	£'000	£'000
Debt management plans	**18,963**	24,387
Individual voluntary arrangements	**12,545**	14,774
Other income	**6,984**	8,417
	38,492	47,578

3. Expenses and auditor's remuneration

	Group	
	2016	2015
	£'000	£'000
Included in the admin expenses are the following:		
Audit of these financial statements and of its subsidiaries financial statements	**75**	75
Taxation compliance services	**26**	28
Other services	**30**	24

Notes (Continued)

4. Remuneration of directors

The remuneration paid to the directors of the Group was:	Group 2016 £'000	2015 £'000
Directors' emoluments	**642**	653
Company contributions to money purchase pension schemes	**5**	42

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £212,680 (2015:£199,375), and Company pension contributions of £0 (2015:£0) were made to a money purchase scheme on his behalf.

	Number of directors 2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**3**	3

5. Staff numbers and costs

The average number of persons employed by the group (including directors) during the period was as follows:

	Group 2016	2015
Directors, sales and administration	**484**	595

The aggregate payroll costs of these persons were as follows:

	Group 2016 £'000	2015 £'000
Wages and salaries	**12,898**	14,064
Social security costs	**1,150**	1,221
Other pension costs	**106**	76
	14,154	15,361

6. Interest payable and similar charges

	Group 2016 £'000	2015 £'000
Finance lease agreements	**2**	2
Other interest	**-**	9
Loan notes	**3,241**	2,922
Investor fees	**89**	107
Term debt	**1,257**	1,152
Interest on corporation tax	**12**	-
	4,601	4,192

Notes (Continued)

7. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Group	
	2016	2015
	£'000	£'000
Current tax		
Current tax on loss for the period	-	11
Adjustment in respect of prior periods	-	(16)
Total current tax	-	(5)
Deferred Tax		
Origination and reversal of timing differences	**583**	(224)
Change in tax rate	**(28)**	296
Adjustment in respect of prior periods	**116**	-
Total deferred tax	**671**	72
Tax on loss on ordinary activities	**671**	67

Reconciliation of effective tax rate

	2016	2015
	£'000	£'000
Loss for the year	**(7,521)**	(2,866)
Total tax credit	**671**	67
Profit excluding taxation	**(8,192)**	(2,933)
Current tax at 20.06% (2015:21.1%)	**1,643**	619
Utilisation of losses	-	83
Expenses not deductible for tax purposes	**(454)**	(605)
Adjustments in respect of prior periods	**116**	280
Impact of FRS102 transitional adjustments	**68**	-
Deferred tax not recognised	**(7)**	(387)
Loan relationship debits not utilised	**(542)**	-
Impact of changes in tax rate	**(88)**	(11)
Other timing differences	**(65)**	88
Total tax credit in profit and loss	**671**	67

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effect from 1 April 2017) and 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the budget on 16 March 2016.

Notes (Continued)

8. Subsidiary Undertakings

	2016	2015
	£'000	£'000
At 11 March & 10 March	720	720

Subsidiary Undertakings	Activity	Holding	Class of shares
Harrington Brooks (Accountants) Limited	Debt Management	100%	Ordinary
One Advice Limited	Provision of IVAs	100%	Ordinary
Financial Claims Services (Sale) Limited	Claims handling services	100%	Ordinary
Fresh Start Financial Management Limited	Debt Management	100%	Ordinary
Billmaster Limited	Cash budgeting and supplier switching	100%	Ordinary
Harrington Brooks Limited	Intermediate holding company	100%	Ordinary
Harrington Brooks Group Limited	Intermediate holding company	100%	Ordinary
Ask Finance Limited	Insurance and Secured Loan Broking	100%	Ordinary
Open Door (Legal Services) Limited	Legal Services	100%	Ordinary
Debtmatters Limited	Dormant	100%	Ordinary
OAG EBT Limited	Employee Benefit Trust	100%	Ordinary

Harrington Brooks Group Limited is directly owned and all other subsidiaries are indirectly owned.

9. Intangible fixed assets

Group	Back books and referral books	Systems, Website and domain names	Goodwill	Total
	£'000	£'000	£'000	£'000
Cost				
As at 10 March 2015	36,189	1,050	34,499	**71,738**
Additions	1,853	441	-	**2,294**
As at 10 March 2016	38,042	1,491	34,499	**74,032**
Amortisation				
As at 10 March 2015	31,925	1,050	4,752	**37,727**
Charge for the period	3,558	59	1,783	**5,400**
As at 10 March 2016	35,483	1,109	6,535	**43,127**
Net Book value				
As at 10 March 2015	4,264	-	29,747	34,011
As at 10 March 2016	**2,559**	**382**	**27,964**	**30,905**

Amortisation charges are recognised within administrative expenses.

Notes (Continued)

10. Tangible fixed assets

Group	Leasehold Property £'000	Computers £'000	Furniture, fixtures and fittings £'000	Telephones £'000	Total £'000
Cost					
As at 10 March 2015	224	1,757	671	976	3,628
Additions	-	264	22	-	286
Disposals	-	(116)	(32)	-	(148)
As at 10 March 2016	**224**	**1,905**	**661**	**976**	**3,766**
Depreciation					
As at 10 March 2015	96	1,502	458	865	2,921
Charge for the period	37	175	42	42	296
Disposals	-	(100)	(28)	-	(128)
As at 10 March 2016	**133**	**1,577**	**472**	**907**	**3,089**
Net Book value					
As at 10 March 2015	128	255	213	111	707
As at 10 March 2016	**91**	**328**	**189**	**69**	**677**

The net book value of tangible fixed assets held under finance leases was £nil (2015: £nil) and depreciation charged in the period was £nil (2015: £15,979) in respect of these assets.

11. Debtors

	Group	
	2016	**2015**
	£'000	£'000
Trade debtors	**7,432**	9,776
Deferred taxation asset	**766**	94
Corporation tax refund due	**142**	21
Prepayments and other debtors	**2,155**	2,178
	10,495	12,069

	Company	
	2016	2015
	£'000	£'000
Amounts owed by other group companies	**270**	270
	270	270

Notes (Continued)

11. Debtors (continued)

Deferred taxation assets recognised in the financial statements are as follows:

2016	**Asset £'000**	**Liability £'000**	**Net £'000**
Accelerated capital allowances	**167**	**(3)**	**164**
Short term timing differences	**545**	**-**	**545**
Tax losses carried forward and other deductions	**57**	**-**	**57**
Net tax asset	**769**	**(3)**	**766**
2015			
Accelerated capital allowances	-	(7)	(7)
Short term timing differences	101	-	101
Tax losses carried forward and other deductions	-	-	-
Net tax asset	101	(7)	94

12. Cash at bank and in hand

	Group 2016 £'000	2015 £'000
Other cash at bank and in hand	**941**	747

13. Creditors: amounts falling due within one year

	Group 2016 £'000	2015 £'000
Trade creditors	**1,001**	394
Taxation and social security	**592**	732
Finance lease creditor	**32**	4
Other creditors and accruals	**1,268**	2,283
	2,893	3,413

14. Creditors: amounts falling due after one year

	Group 2016 £'000	2015 £'000
Finance lease creditor	**48**	-
Loan notes (see note 16)	**29,386**	26,145
Term debt (see note 16)	**19,146**	20,634
	48,580	46,779

Notes (Continued)

15. Provision for liabilities

	Customer Refund Provision	Onerous Lease	Total
	£'000	£'000	£'000
At the beginning of the year	141	737	878
Charged to the profit and loss account for the year	2,553	173	2,726
Utilised in the year	(138)	(788)	(926)
At the end of the year	**2,556**	**122**	**2,678**

The onerous lease provision relates to the onerous lease contract for Sale Point. The break notice was served during the year and the property is due to be handed back in September 2016.

The customer refund provision relates to fees expected to be refunded to clients in the course of trading in the next 12 months.

16. Financial Instruments

The Group's financial instruments comprise cash and liquid resources that arise directly from operations. The main purpose of financial instruments is to fund the Group's operations. As a matter of policy the Group does not trade in financial instruments, nor does it enter into any derivative transactions.

The operations of the Group have been financed during the year through the loan notes and the bank facility put in place during the refinancing of the Group on 14 July 2012, and amended on 13 September 2013. These are disclosed in the relevant notes.

All of the Group's cash balances and short term deposits are held in such a way that enables the correct balance of access to working capital and a competitive rate of interest to be achieved. Working capital requirements are constantly monitored.

The key risks to the Group and the policies adopted by the directors to minimise their effect on the Group are as stated in the Strategic Report, which includes the credit risk of customers defaulting on their plans, as well as regulatory risk, IT systems risk, and market place risk.

The carrying amounts of the financial assets and liabilities include:

	2016	2015
	£'000	£'000
Assets measured at amortised cost		
Trade debtors	**7,432**	9,776
Liabilities measured at amortised cost		
Trade creditors	**1,001**	394
Bank term debt	**19,146**	20,634
Loan notes	**29,386**	26,145
Finance lease	**80**	4

Notes (continued)

17. Called up share capital

Set out below are details of the authorised and issued share capital of the Company and the Group as at the end of the year. All shares in issue are fully paid-up.

Class of Share	Voting Shares in issue	Non-voting Shares in issue	Number authorised	Number in issue	Nominal Value £'000
A Ordinary £0.01 Voting Shares	700,000	-	700,000	700,000	7
B1 Ordinary £0.01 Voting Shares	15,000	-	15,000	15,000	-
B2 Ordinary £0.01 Voting Shares	275,000	-	285,000	275,000	3
Total	**990,000**	**-**	**1,000,000**	**990,000**	**10**

18. Commitments

Non-cancellable operating lease rentals are payable as follows:

	Group **2016 £'000**	2015 £'000
Land and Building		
Within one year	**499**	440
Between two and five years	**2,247**	1,631
After five years	**2,088**	3,203
	4,834	5,274
Other		
Within one year	**9**	12
Between two and five years	**6**	-
	15	12

The lease period for Jackson House is a 10 year lease that ends in 2024. Within the lease there is a break point in 2022 which if served will cost 6 months rent of £0.3m which will be due at point of dertimination. This would reduce the commitment by £1.0m (net of break fee).

During the year £0.4m was recognised as an expense in the profit and loss account in respect of operating leases (2015: £0.4m).

19. Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

20. Related Parties

Other than transactions with entities that are part of the same group, no transactions with related parties were undertaken such as are required to be disclosed under FRS 102. The company has taken advantage of the exemption under FRS 102 not to disclose transactions with entities that are part of the same group.

21. Ultimate Controlling Party

At 10 March 2016, funds managed by RJD Partners Limited held 64.0% (2014 64.0%) of the voting share capital in issue of One Advice Group Limited.

which is deemed to be the period of time in which the expected future economic benefits will flow to the entity.

22. Accounting estimates and judgements

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the Group are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine the useful economic life of goodwill and intangible assets and apply an appropriate amortisation policy, based on the period of time in which the expected future economic benefits is expected to flow to the entity.

- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

- Determine whether there are indicators of impairment of the Company's investments in subsidaries. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the underlying subsidiary companies.

- The trade debtors recorded in the Group's Statement of Financial Position comprises a large number of relatively small balances. An allowance is made for the estimated irrecoverable amounts from debtors and this is determined by reference to past default experience.

- Determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future profits together with an assessment of the effect of future tax planning strategies.

- Determine when a provision should be recognised , based upon the creation of an obligation as a result of a past event, the probability of an outflow of economic benefit required to settle the obligation and that it can be measured reliably.

23. Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Group's and Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 10 March 2016 and the comparative information presented in these financial statements for the year ended 10 March 2015.

Group

In preparing its FRS 102 balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting under UK GAAP. An explanation of how the transition from UK GAAP to FRS 102 has affected the Group's financial position and financial performance is set out in the following table and the notes that accompany the table.

Notes (Continued)

23. Explanation of transition to FRS 102 from old UK GAAP (continued)

Reconciliation of equity and loss

Group	*Note*	**Equity as at 11 March 2014 £'000**	**Loss for year ended 10 March 2015 £'000**	**Equity as at 10 March 2015 £'000**
As stated under former UK GAAP		**(670)**	**(3,119)**	**(3,789)**
Transitional adjustments				
Provision for paid holiday	a	-	(86)	(86)
Change back book amortisation	b	-	407	407
Deferred tax adjustment	c	-	(68)	(68)
As stated in accordance with FRS 102		**(670)**	**(2,866)**	**(3,536)**

Explanation of changes to previously reported profit and equity

a) FRS 102 specifically mentions the requirement to provide for paid holiday. This was not specifically required under the old UK GAAP. This change has been retrospectively applied leading to recognition of an additional provision at the date of transition and an increase in wages costs for the year ended 10 March 2015.
b) FRS102 requires that all intangible assets have a finite useful life. A number of back books acquired had a reducing balance amortisation policy which was not in line with FRS102. This has resulted in an increase in the intangible asset and a reduction in the amortisation charge for the year ended March 2015.
c) Deferred tax impact of the restatement of prior year in relation for the paid holiday provision and change in amortisation of back book.

The balances held at the transition date of 11 March 2014 were deemed as cost.

Company

In preparing its FRS 102 balance sheet, the Company has not been required to adjust any amounts previously reported in financial statements prepared in accordance with its previous basis of accounting under old UK GAAP.