EUROPEAN WEALTH GROUP LIMITED

UNAUDITED INTERIM RESULTS
FOR THE SIX MONTH PERIOD TO 30 JUNE 2018

Registered number: 42316

EUROPEAN
WEALTH

CONTENTS

RNS ANNOUNCEMENT OF 4TH SEPTEMBER 2018

European Wealth Group Limited (“European Wealth”, “EWG” or “the Group”)

Unaudited interim results for six-month period to 30 June 2018

The Directors of European Wealth (AIM: EWG), the integrated wealth management group, are pleased to announce the Group’s unaudited interim results for the six month period to 30 June 2018.

Highlights

- Continued growth in funds under management and administration (FUMA) which reached £1.8 billion at 30 June 2018 (£1.7 billion at 31 December 2017, £1.7 billion at 30 June 2017)

- Group revenue of £4.8 million (H1 2017: £5.2 million).

- Core adjusted profit[1] £49k (H1 2017: £138k)

- High levels of recurring fee income: Wealth Planning 88%

- Extensive strategic review of the operating businesses has resulted in significant cost reductions and has enabled the Company to create a strong and stable platform to support future growth of both FUMA and recurring fee income.

- Significant refinancing of the Group in May 2018 has resulted in a debt free balance sheet with net cash for the first time since admission to AIM.

- We have created a robust in-house acquisitions due diligence and integration team with cross functional expertise. This team will concentrate on the UK and the US.

- We have developed a pipeline of IFA firm acquisitions focused on earnings accretive businesses.

- We have formed a new research led central investment team and are launching new investment mandates including an AIM portfolio and ethical strategies.

Marianne Ismail, CEO, EWG, said “The Group has now entered a new phase of development. We have rebranded the business as KW Wealth and, subject to shareholder approval, the holding company will change its name to Kingswood Holdings Limited after the Annual General Meeting later today. The Board and management have established four strategic goals for the Group: to deliver strong earnings growth for our shareholders; to achieve continued improvement in the Client experience; to build our new brand; and finally, to maintain the highest standards of corporate governance and risk management.

As we prepare for the future we have restructured and streamlined our investment management team, hired new investment managers and added to our in-house research team. We have also recruited several wealth planners in a very tight market.

Looking ahead, we are ambitious to grow both organically and dynamically by acquisition in both the UK and US.

The Group has a strong and scalable operating platform with the capacity to support incremental revenue and earnings growth from future acquisitions, delivering improved profitability for the Group as a whole. With all the positive changes which have taken place, the Board looks to the future with confidence.”

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1. Core adjusted profit excludes amortisation, acquisitions and refinancing costs and certain other costs (see note 7)

INTERIM REPORT

Highlights

- Continued growth in funds under management and administration (FUMA) which reached £1.8 billion at 30 June 2018 (£1.7 billion at 31 December 2017, £1.7 billion at 30 June 2017).
- Group revenue of £4.8 million (H1 2017: £5.2 million).
- Core adjusted profit[2] £49k (H1 2017: £138k).
- High levels of recurring fee income: Wealth Planning 88%.
- Extensive strategic review of the operating businesses has resulted in significant cost reductions and has enabled the Company to create a strong and stable platform to support future growth of both FUMA and recurring fee income.
- Significant refinancing of the Group in May 2018 has resulted in a debt free balance sheet with net cash for the first time since admission to AIM.
- We have created a robust in-house acquisitions due diligence and integration team with cross functional expertise. This team will concentrate on the UK and the US.
- We have developed a pipeline of IFA firm acquisitions focused on earnings accretive businesses.
- We have formed a new research led central investment team and are launching new investment mandates including an AIM portfolio and ethical strategies.

2. Core adjusted profit excludes amortisation, acquisitions and refinancing costs and certain other costs (see note 7)

CHIEF EXECUTIVE OFFICER'S STATEMENT

Overview

The half year report to June 2018 is the final one under our EWG name. Subject to shareholder approval at the Company's Annual General Meeting on 4 September 2018, the Group will be renamed Kingswood Holdings Limited and we have already rebranded our business to KW Wealth. The 2017 annual report outlined the strategic actions taken since September 2017 to strengthen the Group balance sheet and position the Group for growth. Much of the cost reduction and reinvestment implementation took place in the first half of 2018 with costs before re-investment reduced by £1.4m.

Financial review

For the six months to 30 June 2018, revenue was £4.8 million compared to £5.2 million in the same period for the previous year. The difference is largely attributable to a spike in financial planning revenues at the end of the 16/17 tax year, which was not repeated. Excluding this, underlying revenues are stable.

The loss before tax was £1.5 million (H1 2017: £0.8 million). The increase is primarily because of a loss on disposal of the Group's business in Switzerland as we refocus on the core markets (see note 12) as well as additional costs associated with restructuring, legal fees, and our rebranding to KW Wealth. Following the refinancing in May 2018 and the subsequent additional investment by Astoria Investments Limited in August 2018, the Group has repaid all borrowings, and has a positive cash position of £4.5 million at 30 June 2018.

Post Period Events

Since the end of the period under review our Swiss business has been sold and the Gibraltar business is being closed. These decisions are in line with the Board's strategy of focusing on our main market, the UK, while continuing to assess potential partnerships in the US (the largest global wealth management market) as well as building more client relationships in South Africa. We have included the loss on disposal of these businesses within these interim accounts and so do not anticipate any additional losses to be incurred as a result of these disposals in our full year accounts.

In addition, on 2 August 2018 Astoria Investments Limited, who was already a significant shareholder, increased their shareholding to 18%, adding an additional £1.3 million cash to our balance sheet.

Strategic Goals

The Board and Management have established four strategic goals for the Group:

1. **To deliver strong earnings growth for our shareholders.** Following the significant fund raise in May 2018 the Group is in a position to execute its recruitment strategy, grow organically and acquire businesses which are earnings accretive. Coupled with prudent cost control, the Board believes this will result in a higher share price over time. We continue to recruit client advisors, focussing on candidates with the right skills and who share our strong commitment to client service. The market is competitive but we have been successful in recruiting eleven new hires in the last six month period. Two are investment researchers, four are wealth planners and five are associates who support the front office teams. The total number of wealth planners has increased from eight to eleven.

2. **Continuous improvement in the Client experience**. We will continue to invest in improving the client experience through delivering excellent service. This includes high quality independent advice, a new digital onboarding process and tailored client reporting and providing individual client Wealth Plans. As a smaller business, we are able to deliver a more personal approach than some of our larger competitors and we believe this gives us a competitive advantage in the UK.

3. **Build our brand: KW Wealth.** The UK wealth market is excessively fragmented and brand awareness among consumers is generally low. We believe that there is a substantial market opportunity to build a national brand for quality, independent wealth planning advice and investment management. Our new brand, KW Wealth, is distinctive, memorable and approachable. www.kw-wealth.com

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

4. **Maintain the highest standards of corporate governance and risk management.** The directors recognise the importance of sound corporate governance and have chosen to apply the Quoted Companies Alliance Corporate Governance Code ("the QCA code"). This code consists of ten principles covering areas such as strategy; risk management; promoting a corporate culture based on ethical values and behaviours; maintaining a Board with appropriate experience, skills and capabilities and maintaining a dialogue with shareholders and other relevant stakeholders.

Review of Divisions

EWG has established two key divisions which allow the Group to offer a wide range of services in the wealth management industry:

Investment Management

The Investment Management division includes both fee income from investment management and revenues from execution and broker services. The first half of 2018 has seen very limited brokerage and execution revenues and as a result total investment management revenues fell marginally from £3.5 million in the first half of 2017 to £3.4 million. Operating profit reduced from £0.7 million to £0.6 million. Investment management fees on both discretionary fund management and fixed income, however, rose year on year. Recurring revenue stands at 59% of revenues (H1 2017 64%). Once again the fixed interest team successfully added to its FUM in the first six months.

The non-recurring income in this division will continue to be brokerage fees generated by our Wealth Trading Subsidiary, which is a member of the London Stock Exchange. The Board is committed to increasing the amount of recurring revenue as a proportion of the total but this will always be impacted in the short term by the more volatile revenue stream from wealth trading.

Wealth Planning

The first half of 2018 was not as strong as the first half in 2017. Revenue was £1.4 million, down from £1.7 million in the same period in 2017. This is largely attributable to a spike in revenues at the end of the 16/17 tax year largely related to government changes in EIS and VCT scheme rules. Excluding this, underlying revenues are relatively stable despite a reduction in wealth planning headcount. With our new recruitment we expect that revenues will improve on a like for like basis. Recurring revenues in the half year to 30 June 2018 are 88% of total revenues of Wealth Planning.

The division has been converting to a paperless process of client on-boarding and which has resulted in a considerable decrease in the volume of paper-based activity. The impact has been a much faster turnaround in client documents, and enhanced financial advisor productivity.

Proposed acquisition of Newbridge Corporation

On 23 May 2018, after the US regulator FINRA approved Newbridge's request for a change of ownership, EWG began the final stages of commercial due diligence on Newbridge to assess whether the remaining (non-regulatory) closing conditions could be fulfilled to the satisfaction of EWG's Board. On 7 June 2018, it was announced that EWG and Newbridge had not been able to come to an agreement on the fulfilment of these conditions and mutually decided not to proceed with the proposed acquisition. We will continue to look for opportunities to expand in the US.

Corporate Governance

We have added two new independent directors to strengthen our board, Jonathan Freeman and David Hudd.

Jonathan joined on 18 June 2018 and has over 25 years of experience in financial services with a strong track record in strategic development and corporate governance within both the fund management and corporate finance sectors. His previous fund management roles include being a director of Hume Capital Securities plc and the CEO of Syndicate Asset Management plc.

David was appointed on 29 June 2018 and brings extensive finance experience having held roles in the City for over 35 years. David is currently Deputy CEO of Hogan Lovells and is listed as an eminent practitioner in Chambers' Guide for structured finance, derivatives and securitisation.

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

We will continue to enhance our corporate governance and risk management processes. While we are comfortable with the current risk profile of the business, the Board will continue to strengthen our practices in this important area by embracing the ten principles of the QCA code.

Outlook

The UK Market

Market growth in the UK remains strong, driven by both increasing personal wealth and by regulatory change, especially pensions freedom which substantially drives demand for wealth planning. Our strong focus in the UK market is to grow the number of wealth planners to take advantage of capacity in our established para-planning group, as well as compliment our investment management capabilities.

The US Market

The largest global wealth market is growing significantly year on year.

The market for wealth management is extremely fragmented. Clients no longer favour big name firms but, as in the UK, demand high quality individual service and expect their private wealth to be viewed and managed holistically.

The opportunity for our Group lies in partnerships with smaller successful firms with a strong cultural fit with our existing business. There are many opportunities being presented to the Group on a weekly basis.

The Group

The Group has now entered a new phase in its development. We have restructured and streamlined our investment management team, hired some new investment managers and added to our in-house research team. We have also recruited several wealth planners in a very tight market.

We have developed a pipeline of small to medium sized acquisitions in both the UK and US and discussions are progressing. There are two critical factors which must be met before the Board moves forward with any acquisition: accretive earnings for our Group over the very short term and cultural fit. The creation of our dedicated acquisitions team means that we can reach a rapid decision point to identify firms we wish to evaluate in more detail.

The Group has a strong and scalable operating platform with the capacity to support incremental revenue and earnings growth from future acquisitions, delivering improved profitability for the Group as a whole.

With all the positive changes that have taken place across the Group the Board looks to the future with confidence.

Approved by the Board

Marianne L Ismail

Marianne Ismail
Group Chief Executive Officer

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six month period to 30 June 2018

	Note	Six months to 30 Jun 2018 (unaudited) £'000	Six months to 30 Jun 2017 (unaudited) £'000	Year ended 31 Dec 2017 (audited) £'000
Revenue		**4,789**	5,203	10,029
Cost of sales		**(488)**	(673)	(1,311)
Gross profit		**4,301**	4,530	8,718
Administrative expenses		**(4,252)**	(4,392)	(9,620)
Core adjusted profit/(loss)		**49**	138	(902)
Amortisation[3]		**(262)**	(283)	(670)
Other gains/(losses)	5	**(1,063)**	(224)	(3,380)
Restructuring costs		**(212)**	-	(283)
Operating loss		**(1,488)**	(369)	(5,235)
Finance costs		**(8)**	(462)	(704)
Loss before tax		**(1,496)**	(831)	(5,939)
Tax		**(1)**	-	(9)
Loss for the period		**(1,497)**	(831)	(5,948)
Other comprehensive income				
Items that may be reclassified subsequently to profit & loss:				
Exchange difference on translation of foreign operations		**-**	(12)	(22)
Total comprehensive loss		**(1,497)**	(843)	(5,970)
Loss per share				
Basic	6	**(0.01)p**	(0.03)p	(0.10)p
Diluted	6	**(0.01)p**	(0.03)p	(0.10)p

The entire Group's revenue and operating loss were derived from continuing operations.

The operating loss and total comprehensive loss for the year are attributable to the equity holders.

3. 2017 numbers Amortisation and Depreciation, 2018 Amortisation only

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Note	30 Jun 2018 (unaudited) £'000	30 Jun 2017 (unaudited) £'000	31 Dec 2017 (audited) £'000
Non-current assets				
Fixtures and equipment		**76**	151	68
Intangible assets and goodwill	8	**22,173**	25,975	23,019
Investments		**-**	13	-
Deferred tax asset		**428**	428	428
		22,677	26,567	23,515
Current assets				
Trade and other receivables		**1,113**	1,510	1,114
Cash and cash equivalents		**4,520**	224	9,799
		5,633	1,734	10,913
Total assets		**28,310**	28,301	34,428
Current liabilities				
Trade and other payables		**1,898**	3,833	3,165
Short term borrowing		**-**	6,948	10,367
		1,898	10,781	13,532
Non-current liabilities				
Other non-current liabilities		**16**	115	32
		16	115	32
Net assets		**26,396**	17,405	20,864
Equity				
Share capital and premium	9	**12,710**	15,522	5,016
Other equity		**106**	356	106
Other reserves		**(1,508)**	12	(734)
Retained earnings		**15,088**	1,515	16,476
Total equity		**26,396**	17,405	20,864

The unaudited financial statements of European Wealth Group Limited (registered number 42316) were approved by the Board of Directors and authorised for issue on 4 September 2018 signed on its behalf by:

Marianne L Ismail

Marianne Ismail
Group Chief Executive

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six month period to 30 June 2018

	Share Capital and Premium £'000	Other Equity £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2017	**14,866**	**356**	**277**	**2,346**	**17,845**
Loss for the period	-	-	-	(831)	(831)
Issue of share capital	656	-	-	-	656
Reversal of convertible loan note	-	-	(203)	-	(203)
Capitalisation of costs	-	-	(50)	-	(50)
Retranslation of overseas operations	-	-	(12)	-	(12)
Balance at 30 June 2017	**15,522**	**356**	**12**	**1,515**	**17,405**
Loss for the period	-	-	-	(5,117)	(5,117)
Issue of share capital	8,547	-	-	-	8,547
Share based settlement of deferred consideration	917	(250)	-	-	667
Transfer to retained earnings	(19,970)	-	(108)	20,078	-
Share based payments	-	-	10	-	10
Placing costs	-	-	(638)	-	(638)
Retranslation of overseas operations	-	-	(10)	-	(10)
Balance at 31 December 2017	**5,016**	**106**	**(734)**	**16,476**	**20,864**
Loss for the period	-	-	-	(1,497)	(1,497)
Issue of share capital	7,694	-	-	-	7,694
Placing costs	-	-	(774)	-	(774)
Reversal of capitalised interest	-	-	-	109	109
Balance at 30 June 2018	**12,710**	**106**	**(1,508)**	**15,088**	**26,396**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six month period to 30 June 2018

	Note	Six months to 30 Jun 2018 (unaudited) £'000	Six months to 30 Jun 2017 (unaudited) £'000	Year ended 31 Dec 2017 (audited) £'000
Net cash used in operating activities	10	**(1,061)**	(271)	**(3,027)**
Investing activities				
Fixtures and equipment purchased		**(38)**	(15)	**(26)**
Acquisition of investments		-	(15)	**(48)**
Deferred consideration		-	(700)	**(1,204)**
Cash acquired on acquisitions		-	8	-
Net cash used in investing activities		**(38)**	(722)	**(1,278)**
Financing activities				
Net proceeds on issue of shares		**632**	-	**9,213**
Interest charged and converted/paid		**(1,104)**	(525)	**(705)**
Borrowings repaid		**(5,372)**	(4,772)	**(11,236)**
Interest income		**369**	-	-
New borrowings received		**1,300**	6,150	**16,451**
Net cash from financing activities		**(4,175)**	853	**13,723**
Net increase/(decrease) in cash and cash equivalents		**(5,274)**	(140)	**9,418**
Cash and cash equivalents at beginning of period		**9,799**	375	**375**
Effects of movement in exchange rates on cash held by foreign operations		**(5)**	(11)	**6**
Cash and cash equivalents at end of period		**4,520**	224	**9,799**

NOTES TO THE FINANCIAL STATEMENTS

for the six months to 30 June 2018

1 GENERAL INFORMATION

European Wealth Group Limited is a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008. The shares of the Group are traded on AIM. The nature of the Group's operations and its principal activities are set out in the Annual Report, which is available at www.kw-wealth.com Certain subsidiaries in the Group are subject to the FCA's regulatory capital requirements and therefore required to monitor their compliance with credit, market and operational risk requirements, in addition to performing their own assessment of capital requirements as part of the Individual Capital Adequacy Assessment Process (ICAAP).

2 ACCOUNTING POLICIES

a) Basis of preparation

The Group's condensed consolidated interim financial statements are prepared and presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. The accounting policies adopted by the Group in the preparation of its 2018 interim report are consistent with those disclosed in the annual financial statements for the year ended 31 December 2017.

The information relating to the six months ended 30 June 2018 and the six months ended 30 June 2017 are unaudited and do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2017.

b) Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months. Accordingly, the Group continues to prepare the condensed consolidated interim financial statements on a going concern basis.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 BUSINESS AND GEOGRAPHICAL SEGMENTS

For management purposes, the Group has organised its activities into two operating divisions; Investment Management and Financial Planning. The Group's other activity of providing execution only broking services are included within Investment Management. All head office costs have been included in a separate column, Group, alongside the information presented for internal reporting to the Board of Directors. Therefore the Group's reportable segments under IFRS 8 are Investment Management and Financial Planning.

Information regarding the Group's operating segments is reported below.

Six months to 30 June 2018 (unaudited)

	Investment Management £'000	Financial Planning £'000	Group £'000	Total £'000
Revenue	**3,348**	**1,441**	**-**	**4,789**
Core adjusted profit/(loss)	**564**	**372**	**(887)**	**49**
Other gains/(losses)	**-**	**-**	**(1,063)**	**(1,063)**
Restructuring costs	-	-	(212)	**(212)**
Amortisation	-	(14)	(248)	**(262)**
Finance costs	-	(1)	(7)	**(8)**
Profit/(loss) before tax	**564**	**357**	**(2,417)**	**(1,496)**
Tax	**(1)**	**-**	**-**	**(1)**
Profit/(loss) for the period	**563**	**357**	**(2,417)**	**(1,497)**

Six months to 30 June 2017 (unaudited)

	Investment Management £'000	Financial Planning £'000	Group £'000	Total £'000
Revenue	3,489	1,714	-	5,203
Core adjusted profit/(loss)	728	251	(841)	138
Other gains/(losses)	-	-	(224)	(224)
Amortisation	-	(13)	(270)	(283)
Finance costs	(4)	(3)	(455)	(462)
Profit/(loss) for the period	724	235	(1,790)	(831)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 BUSINESS AND GEOGRAPHICAL SEGMENTS CONTINUED

Year to 31 December 2017 (audited)

	Investment Management £'000	Financial Planning £'000	Group £'000	Total £'000
Revenue	6,601	3,428	-	10,029
Core adjusted profit/(loss)	827	403	(2,132)	(902)
Other gains/(losses)	(1,875)	-	(1,505)	(3,380)
Exceptional items	1	-	(284)	(283)
Amortisation	(1)	(32)	(637)	(670)
Finance costs	(3)	-	(701)	(704)
(Loss)/profit before tax	(1,051)	371	(5,259)	(5,939)
Tax	(9)	-	-	(9)
(Loss)/profit for the period	(1,060)	371	(5,259)	(5,948)

5 OTHER GAINS/(LOSSES)

	Six months to 30 Jun 2018 (unaudited) £'000	Six months to 30 Jun 2017 (unaudited) £'000	Year ended 31 Dec 2017 (audited) £'000
Acquisition/disposal of overseas subsidiaries	(655)	(50)	-
Project legal costs	(573)	(244)	(354)
Rebranding costs	(45)	-	-
Movements in deferred consideration	210	70	(492)
Impairment of Intangibles	-	-	(2,330)
Refinancing costs	-	-	(204)
Total other gains/(losses)	**(1,063)**	(224)	(3,380)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 EARNINGS PER SHARE

	Six months to 30 Jun 2018 (unaudited) £'000	Six months to 30 Jun 2017 (unaudited) £'000	Year ended 31 Dec 2017 (audited) £'000
Losses for the purposes of basic loss per share being net loss attributable to owners of the Group	**(1,497)**	(831)	(5,948)
Number of shares	**£'000**	**£'000**	**£'000**
Weighted number of shares in issue during period	**108,819,547**	26,404,837	57,016,344
Effect of dilutive share options	**-**	670,482	-
Convertible loan notes in issue	**-**	-	-
Diluted weighted number of shares in issue during period	**108,819,547**	27,075,319	57,016,344
Based on reported earnings			
Basic loss per share	**(0.01)p**	(0.03)p	(0.10)p
Diluted loss per share	**(0.01)p**	(0.03)p	(0.10)p
Based on core adjusted profit			
Basic earnings share	**0.001p**	0.00p	0.01p
Diluted earnings per share	**0.001p**	0.00p	0.01p

7 RECONCILIATION OF CORE ADJUSTED PROFIT TO LOSS BEFORE TAX

	Six months to 30 Jun 2018 (unaudited) £'000	Six months to 30 Jun 2017 (unaudited) £'000	Year ended 31 Dec 2017 (audited) £'000
Core adjusted profit/(loss)	**49**	138	(902)
Amortisation	**(262)**	(283)	(670)
Refinancing costs	**-**	-	-
Project and acquisition costs	**-**	-	(283)
Restructuring costs	**(212)**	-	-
Other gains/(losses)	**(1,063)**	(224)	(3,380)
Finance costs	**(8)**	(462)	(704)
Loss before tax	**(1,496)**	(831)	(5,939)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 INTANGIBLE ASSETS AND GOODWILL

	Goodwill £'000	Intangibles £'000	Total £'000
Cost			
As at 1 January 2017	16,457	10,546	27,003
Additions	-	314	314
As at 30 June 2017	16,457	10,860	27,317
Additions/(disposals)	-	(356)	(356)
As at 31 December 2017	16,457	10,504	26,961
Additions/(disposals)	-	-	-
As at 30 June 2018	**16,457**	**10,504**	**26,961**
Accumulated amortisation			
As at 1 January 2017	-	1,059	1,059
Charge for half year	-	283	283
As at 30 June 2017	-	1,342	1,342
Charge for half year	-	270	270
Impairment	1,971	359	2,330
As at 31 December 2017	1,971	1,971	3,942
Charge for half year	-	262	262
Impairment	-	584	584
As at 30 June 2018	**1,971**	**2,817**	**4,788**

	Goodwill £'000	Intangibles £'000	Total £'000
Net book value			
As at 30 June 2017	16,457	9,518	25,9su75
As at 31 December 2017	14,486	8,533	23,019
As at 30 June 2018	**14,486**	**7,687**	**22,173**

The impairment of the client book intangible relates to the fair value write down of the client book associated with the Swiss business prior to its disposal in August 2018.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9 SHARE CAPITAL AND SHARE PREMIUM

	Six months to 30 Jun 2018 Shares	Year ended 31 Dec 2017 Shares	Six months to 30 Jun 2017 Shares	Six months to 30 Jun 2018 £'000	Year ended 31 Dec 2017 £'000	Six months to 30 Jun 2017 £'000
Fully paid						
0.05p Ordinary shares	**146,950,667**	100,317,338	26,668,656	**7,347**	5,016	1,334

Movements in Ordinary shares

	Number of Shares 000's	Par value £'000	Share Premium £'000	Total £'000
Opening balance as at				
As at 1 January 2017	25,187	1,270	13,596	14,866
Issued H1 2017	1,482	64	592	656
As at 30 June 2017	26,669	1,334	14,188	15,522
Issued H2 2017	73,648	3,682	5,784	9,466
Transferred to retained earnings			(19,972)	(19,972)
As at 31 December 2017	100,317	5,016	-	5,016
Issued H1 2018	46,634	2,331	5,363	7,694
As at 30 June 2018	**146,951**	**7,347**	**5,363**	**12,710**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 RECONCILIATION OF LOSS BEFORE TAX, TO NET CASH USED IN OPERATING ACTIVITIES

	Six months to 30 Jun 2018 (unaudited) £'000	Six months to 30 Jun 2017 (unaudited) £'000	Year ended 31 Dec 2017 (audited) £'000
Loss before tax	**(1,496)**	(831)	(5,939)
Finance costs	**-**	462	704
Foreign Exchange	**(56)**	4	4
Expenses charged to capital	**-**	-	(1,043)
CLS redemption charge	**-**	-	(203)
Depreciation and amortisation	**291**	306	670
Share based payment	**-**	-	10
Movements in deferred consideration	**210**	15	(1,865)
Bad debt expense	**-**	-	200
Impairment of goodwill/subsidiaries	**584**	-	(2,330)
Other gains and losses	**479**	(85)	3,380
Decrease/(increase) in receivables	**1**	(2,031)	(177)
(Decrease)/increase in payables	**(1,074)**	1,889	3,562
Net cash used in operating activities	**(1,061)**	(271)	(3,027)

11 ULTIMATE CONTROLLING PARTY

The directors do not consider there to be an ultimate controlling party for the Company.

12 POST BALANCE SHEET EVENTS

In August 2018, the Swiss entity was sold for CHF499,991 (£383,576). As a result, the associated client book intangible has been written down at 30 June 2018 to reflect actual sale price post period end.

The Group's subsidiary EW Gibraltar, which was written down to nil value at 31 December 2017, is in the process of being wound down and costs to date of £52,100 are included in other gains/(losses).

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