22 September 2015

European Wealth Group Limited (formerly EW Group Limited)
("European Wealth", or "the Group")

Unaudited interim results for six month period to 30 June 2015

The directors of European Wealth (AIM: EWG, EWGL), the fast growing wealth management group, are pleased to announce its unaudited interim results for the six month period to 30 June 2015.

Operational Highlights

- P&C acquisition fully integrated into business and re-named European Wealth (Switzerland) SA
- Senior staff appointments made across main business divisions
- Recurring revenue increased to 57% (30 June 2014: 41%)
- Group funds under management ("FUM") increased to £1.08 billion (30 June 2014: £0.82million)
    - European Investment Management FUM up 71% to £751 million at period end (30 June 2014: £439 million)
- Post period, completion of ISM Solutions acquisition in July 2015 and the acquisition of the financial planning business of Bells Solicitors Limited in September 2015, as announced earlier today
- Board's focus remains on growing the Group through acquisition, organic growth and attracting revenue-generating staff

Group Financial Highlights

- Group revenue for period up 90% to £3.8 million (H1 2014: £2 million)[1]
- Positive EBITDA achieved of £0.03 million (H1 2014: £0.48 million)
- Group loss before tax for period: £0.40 million (H1 2014: £0.33 million profit) [1]
- £2.0 million before expenses raised through institutional placing

[1] *Not like-for-like comparisons as H1 2014 prior to reverse of European Wealth Management Group Limited. For guidance on like-to-like performance of the underlying operating business, please see below.*

European Wealth Management Group Limited ("EWMG") Performance

	EWMG - 6 MONTHS TO 30 JUNE 2015 (£'000):	EWMG - 6 MONTHS TO 30 JUNE 2014 (£'000)
Revenue	3,869	3,417
Costs	3,736	3,340
EBITDA	133	77

- Revenue increased 13%
- Costs increased 12% primarily due to increased head count
- EBITDA increased 73%

John Morton, Executive Chairman of European Wealth, commented:

"The combination of uncertainties in the global markets and the underlying dynamics of the wealth management industry will continue to create meaningful opportunities for the Group – allowing us therefore to continue building on the strategy of growth by acquisition, attracting revenue-generating staff and organic growth. At the same time we will be continuing to control the underlying costs within the Group to continue building profitable growth."

A copy of the unaudited interim accounts is available for download from the Company's website, http://www.europeanwealth.com.

For further details, please contact:

European Wealth Group Limited Tel: +44 (0)20 7293 0733
John Morton www.europeanwealth.com
Rod Gentry

Panmure Gordon (UK) Limited (Nomad and Broker) Tel: +44 (0)20 7886 2500
Fred Walsh
Alina Vaskina

GTH Communications Tel: +44 (0)7713 341072
Toby Hall

CHAIRMAN'S STATEMENT

Overview

The first six months of 2015 proved to be a challenging period for world stock markets with the FTSE world index rising by 5.3**%** between 1 January 2015 and 30 June 2015. Nearer to home, the FTSE 100 Index closed on 30 June 2015 at 6,521 down marginally on the 6,566 at the beginning of the year. During the six months, the UK Stock Market has had to deal with the drag on sentiment caused by the well publicised difficulties in both Greece and the wider Euro Zone together with the short-lived euphoria of the surprise result of the UK General Election in May. The other challenge facing investors worldwide has been the speculation as to when interest rates would rise particularly in the US and the UK as a result of continued, strong economic growth as the fear of inflation is slowly building within the system.

The Directors and management of European Wealth Group Limited ("European Wealth" or the "Company", together with its subsidiaries the "Group") have been working hard to grow the business, remaining true to the corporate ambition of growing by acquisition, organic growth and attracting revenue-generating staff.

During the last six months, a significant amount of progress has been made in both integrating the acquisition of P&C Global Wealth Managers SA and the associated GTI Fund Investment Ltd ("P&C"), which has recently been renamed European Wealth (Switzerland) SA, and further developing our infrastructure to cope with the significant increase in funds under management over the last 12 months.

The Board of European Investment Management (EIM) and European Wealth Trading (EWT) have been strengthened by the appointment of senior staff in each business. Additionally, the compliance resource within the Group has been increased by the recruitment of experienced industry professionals.

Financial Review

Following the reverse acquisition which was completed in May 2014, the statutory financial figures for the six months to 30 June 2015 are not directly comparable with the same period in 2014 when only one month of the combined business was included in the reported figures.

For the six months to 30 June 2015, the Group reported total revenues of £3.8 million which is a 90% increase on the £2.0 million recorded in the period to 30 June 2014.

The reported loss before tax of £0.40 million for the six months to 30 June 2015 compares to a profit of £0.33 million in the six months to 30 June 2014. As noted above, the comparison is misleading in that the profit in the six months to 30 June 2014 included an increase in the paper value of the investment in European Wealth Management Group which increased turnover by £0.83 million.

In the Annual Report for the financial year to 31 December 2014, I focused on a number of key performance indicators that the Board believe are good benchmarks by which to measure the performance of the Group. One of these key measurements was the EBITDA performance; The Group target was to have a positive EBITDA figure at this six month stage. I'm pleased to report that once the interest, finance costs and bank charges are added back together with the amortisation and depreciation, the Group recorded a positive EBITDA of £0.03 million (H1 2014: £0.48 million).

In order to provide clarity as to the underlying operational performance of the business, the table below details the results for European Wealth Management Group Limited including European Wealth (Switzerland) SA in the six months to 30th June 2015.

	EWMG - 6 MONTHS TO 30 JUNE 2015 (£'000):	**EWMG - 6 MONTHS TO 30 JUNE 2014 (£'000)**
Revenue	3,869	3,417
Costs	3,736	3,340
EBITDA	133	77

Total revenue over the period under review has increased by 13% but that masks some significant variances between the financial planning businesses and investment management business.

Investment management

We have continued to see growth in funds under management, which for our investment management business have reached £751 million (30 June 2014: £483 million) an increase of 55.5%. During the last quarter of 2014, European Wealth acquired P&C, a Zurich based fund management business, when the turnover contributed by P&C in the first six months is added to the existing investment management division, our total investment management revenues have increased from £1.87 million to £2.29 million, an increase of 23%.

Of this revenue, £1.28 million or 56% (H1 2014: £0.77 million or 41%) relates to investment management fees or other types of recurring income. The non-recurring revenue is predominantly the commission generated by European Wealth Trading Limited, which is our broking business that is a member of the London Stock Exchange. It is your Board's aim to increase the amount of recurring revenue as a proportion of total revenue.

The back office and administrative functions of the investment management business have required significant investment in the last six months. Whilst this has inevitably had a negative impact on short term profitability, we believe it to be a part of our infrastructure that will become increasingly valuable and cost effective as the business continues to grow.

The investment management division is split into three main disciplines, which are discretionary and advisory multi-asset investment management, treasury and cash management and execution only stockbroking.

We have seen strong growth from the institutional treasury and cash management service, whose funds under management have increased by 60% to £377 million as at 30 June 2015 (30 June 2014: £235million) with revenue generated from these funds increasing to £0.26 million (H1 2014: £0.12 million). Margins on this business still remain low but are expected to increase as and when interest rates start rising in the UK and US.

Discretionary and advisory multi-asset investment management remains the backbone of the business and accounts for 77% of the division's turnover with revenue increasing by 26% since June 2014 to £1.76 million (H1 2014: £1.39 million). There have been a number of new revenue generators recruited in this area and whilst this has a negative impact on margins and cash flow as the teams build their client bases, we are expecting to see continued growth over the remainder of the year.

The execution only stockbroking business has seen a decrease in trading volumes as the market for AIM IPO's has reduced compared to the first half of 2014 at the same time as a reduction in general trading. Revenue has decreased from £0.36 million in H1 2014 to £0.27 million in H1 2015. The Board expect the number of AiM new issues and secondary placing to return to more normal levels as market sentiment improves in the second half of the year.

The backbone of any investment management business is the investment performance and I am pleased to report that our investment management business, European Investment Management Limited ("EIM"), has continued to win industry awards including 'Most Trusted Wealth Management Advisory Firm of the Year' by ACQ Global Awards and 'Discretionary Fund Manager for a second consecutive year from the same organisation.

Financial Planning

The financial planning business, European Financial Planning Limited, had a very strong first half in 2014 as a result of initial revenue that was generated by establishing a number of new group personal pension schemes for existing clients. As a result, on a like for like comparison, revenue within the financial planning business only increased to £1.51 million (H1 2014: £1.48 million), a modest increase of 1.1%.

The revenue mix of the financial planning business has changed to reflect the above, with Group Pension administration revenue now only accounting for 9% of financial planning revenue, with a reduction from £0.45 million in H1 2014 to £0.41 million in H1 2015.

In terms of the other two revenue streams for the financial planning business, general financial planning revenue has increased to £0.96 million (H1 2014: £0.83 million) representing 63% of the business, with the balance being tax planning revenue which has fallen to £0.14 million (H1 2014: £0.18 million) representing 9% of the divisions revenue.

The Board remain of the view that financial planning remains an important part of delivering a professional wealth management service. The financial planning industry has been through a significant amount of change since the Retail Distribution Review (" RDR"). The speed of change is now slowing but many businesses are still in a transition phase moving further away from initial commission income and more towards ongoing charges reflecting the work undertaken on behalf of clients. Within European Financial Planning, recurring revenue now accounts for 65% of total revenue (H1 2014: 42%). The focus on recurring income will increase further following the acquisition of ISM which recorded recurring income of 92% for the financial year to 31 March 2015. The Board believe this shift has considerably improved the quality of the revenue within the business.

Summary

Looking at the Group as a whole, it is pleasing to note that over 50% of total revenue in the first six months of 2015 has been generated by recurring revenue with the balance being made up by non-recurring revenue which is predominantly commission generated by European Wealth Trading.

It is anticipated that the recurring income will gradually increase as a percentage of the Group's overall income partly as a result of changes in the charging structure in the financial planning business but also, more importantly, an increasing desire of clients of the investment management business to pay an all inclusive investment management fee rather than the more traditional structure of a management fee together with broking commission.

This trend had been anticipated some 12 months ago when the decision was taken to establish a broking business enabling European Wealth to trade direct with the market rather than having to execute trades through a third party stock broker thus reducing the ongoing variable cost base.

The Group's funds under management or influence stood at £1.08 billion as at 30 June 2015 which compares with a figure of £1.00 billion as at 31 December 2014 and £0.82 billion as at 30 June 2014. Having increased funds under management rapidly during 2014, a period of consolidation was inevitable especially as no corporate transactions were completed during the six months under review. However, the mix of the funds under management altered slightly with the fixed interest team increasing their funds under management by over 20% during the period under review. Over the last 12 months, since end June 2014, funds under management have increased by 31.7%.

Whilst the equity money managed within EIM rose modestly during the first half of 2015, the funds managed in European Wealth (Switzerland) SA suffered both from the strength of the Swiss Franc but also the loss of one significant mandate. I am pleased to report that additional mandates have been won in Switzerland to make up for some of the loss. Our pipeline of new mandates looks particularly strong especially as a result of the expansion of our Manchester office with the recruitment of three further revenue-generating staff.

The Manchester office is expected to complete the transfer of a number of investment mandates during the second half of October 2015 which is forecast to contribute a further £25million to our funds under management and provide additional execution-only stockbroking revenue during the last two months of the current financial year.

During June 2015, the Company announced a share placing to raise £2million together with the acquisition of ISM. ISM is a financial planning business based in the City which we are currently in the process of integrating into our core financial planning business to establish a single trading entity which should create benefits from the inevitable economies of scale. The real savings are anticipated to be made in the summer of 2016 when we will be able to surrender the lease on the current ISM offices.

The Group's ambitions for organic growth are proving to be more challenging. Inevitably, it takes time for a new company to establish a brand name. The organic growth in the underlying FUM has been slower than expected in the first six months of 2015. The signs are that some of the initiatives started in the first half of the year are starting to pay off and the Board is hopeful that organic growth will accelerate during the second half of the year.

All the indications are that the second half of the year is going to deliver many challenges for your Board. The summer months have been extremely volatile in the world equity markets driven by concern over the outlook for the Chinese economy, the timing of interest rate increases in the UK and US, together with concerns over the outlook for the world economy. This further uncertainty, together with the historically quiet summer period has resulted in the Group's turnover being lower than had been anticipated in the budgets for the current year. However, it is pleasing to report that Group funds under management have increased further

from the £1.08billion mark as at 30 June to £1.10billion as at 14 September 2015 despite this recent volatility in global stock markets which saw the FTSE 100 Share index fall by 6.7% in the same period.

These challenges together with the underlying dynamics of the wealth management industry will continue to create opportunities. The activity within the industry is clearly evidenced by the number of corporate transactions that have taken place over the last four months confirming the theory that companies are trying to improve their financial performance by increasing critical mass. This trend will inevitably throw up opportunities for the Group to continue to build on the strategy of growth by acquisition, attracting revenue-generating staff and organic growth.

CONSOLIDATED INCOME STATEMENT

UNAUDITED HALF YEAR END FIGURES TO 30 JUNE 2015

	Unaudited 6 months ended 30 June 2015	**Unaudited 6 months ended 30 June 2014**	**Audited Year ended 31 December 2014**
	£'000	**£'000**	**£'000**
Income from trading activities	3,869	1,091	4,647
Gains from re-valuations of investments	-	830	830
Interest income	-	101	101
Revenue	**3,869**	**2,022**	**5,578**
Cost of sales	(609)	(174)	(906)
Gross profit	**3,260**	**1,848**	**4,672**
Administrative expenses	(3,229)	(1,005)	(4,214)
Depreciation and amortisation	(195)	(17)	(204)
Operating profit	**(164)**	**826**	**254**
Finance costs	(235)	(137)	(232)
Profit before tax and exceptional items	**(399)**	**689**	**22**
Exceptional items	-	(359)	(359)
(Loss)/profit before tax	**(399)**	**330**	**(337)**
Tax	-	-	(11)
Total comprehensive (loss)/profit for the year	**(399)**	**330**	**(348)**
(Loss)/earnings per share			
Basic	**(2)p**	**2p**	**(3)p**
Diluted	**(2)p**	**3p**	**(2)p**

*The Income Statement for the prior period has been consolidated as at the completion date for the acquisition of European Wealth Management Group Limited of 7 May 2014. More details can be found in note 5 to this report.

CONSOLIDATED BALANCE SHEET
UNAUDITED HALF YEAR END FIGURES TO 30 JUNE 2015

	Note	**Group** **30 June 2015 unaudited £'000**	30 June 2014 unaudited £'000	31 December 2014 audited £'000
Non-current assets				
Fixtures and equipment		**186**	208	202
Intangible assets and goodwill	**6**	**22,270**	18,803	22,437
Investments		**9**	24	9
Loans and deferred consideration		**-**	35	-
Deferred tax asset		**428**	442	428
		22,893	19,512	23,076
Current assets				
Trade and other receivables		**915**	638	715
Loans receivable		**-**	7	-
Cash and bank balances		**1,999**	743	237
		2,914	1,387	952
Total assets		**25,807**	20,900	24,028
Current liabilities				
Trade and other payables		**1,891**	3,393	2,122
Short term borrowing	**7**	**200**	-	500
		2,091	3,393	2,622
Long term liabilities				
Convertible loan note	**7**	**3,963**	5,474	4,025
Other long term liabilities	**7**	**1,428**	595	735
		5,391	6,069	4,760
Total liabilities		**7,482**	9,462	7,382
Net current assets/(liabilities)		**823**	(2,005)	(1,670)
Net assets		**18,325**	11,438	16,646
Equity				
Share capital	**4**	**1,123**	719	983
Share premium account		**11,878**	5,531	9,851
Capital reserve		**1,630**	417	1,719
Retained earnings		**3,694**	4,771	4,093
Total equity		**18,325**	11,438	16,646

CONSOLIDATED CASHFLOW STATEMENT

UNAUDITED HALF YEAR END FIGURES TO 30 JUNE 2015

	6 months ended 30 June 2015 £'000	6 months ended 30 June 2014 £'000	Year ended 31 December 2014 £'000
Net cash used in operating activities	(167)	(127)	(436)
Investing activities			
Receipts from sale of investments	-	-	-
Property, plant and equipment purchased	(7)	-	(14)
Acquisition of investments	-	-	(368)
Loans advanced	-	-	-
Cash acquired on acquisitions	-	155	273
Net cash used in investing activities	(7)	155	(109)
Financing activities			
Net proceeds on issue of shares	1,918	570	570
Interest paid	(409)	(137)	(161)
Loans repaid	(100)	-	-
Loans receivable repaid	-	145	205
New loans received	500	-	-
Interest income	27	101	132
Net cash from financing activities	1,936	679	746
Net (decrease)/increase in cash and cash equivalents	1,762	707	201
Cash and cash equivalents at beginning of period	237	36	36
Cash and cash equivalents at end of period	**1,999**	**743**	**237**

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Share Capital	Share Premium Account	Capital Reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2013 Audited	**634**	**2,899**	**34**	**4,441**	**8,008**
Profit for the period	-	-	-	330	330
Issue of share capital	191	2,632	-	-	2,823
Issue of CLS	-	-	277	-	277
Share cap re-org	(106)	-	106	-	-
Balance at 30 June 2014 Unaudited	**719**	**5,531**	**417**	**4,771**	**11,438**
Loss for the period	-	-	-	(678)	(678)
Issue of share capital	264	4,320	-	-	4,584
Deferred consideration	-	-	1,374	-	1,374
Adjustments for CLS conversion	-	-	(72)	-	(72)
Balance at 31 December 2014 Audited	**983**	**9,851**	**1,719**	**4,093**	**16,646**
Loss for the period	-	-	-	(399)	(399)
Issue of share capital	140	2,027	-	-	2,167
Costs of equity issue	-	-	(89)	-	(89)
Balance at 30 June 2015 Unaudited	**1,123**	**11,878**	**1,630**	**3,694**	**18,325**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. GENERAL INFORMATION

European Wealth Group Limited is a public company incorporated in Guernsey under The Companies (Guernsey) Law, 2008. The shares of the Group are traded on AIM. Certain subsidiaries in the Group are subject to the FCA's regulatory capital requirements and therefore required to monitor its 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

2.1 Basis of preparation

These unaudited interim results have been prepared using the accounting policies, presentation and methods of computation that were adopted in the audited financial statements for the year ended 31 December 2014, which were prepared in accordance with applicable International Financial Reporting Standards adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB (together "IFRS") as adopted by the European Union.

The Group has previously reported its accounts according to UK Generally Accepted Accounting Principles and no adjustment has been made to reflect IFRS for the historic numbers in these Interim accounts as any adjustments are not expected to have material impact on the results presented in this report. This approach is consistent with the policies under which European Wealth's accounts were produced in the Admission Document published in April 2014.

The information relating to the six months ended 30 June 2015 and the six months ended 30 June 2014 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 2014 and the information in the Admission Document dated 16 April 2014.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

The financial statements, for the year ended 31 December 2014, were the first the Group had prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2013, the Group prepared its financial statements in accordance with UK GAAP. Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods ending on or after 31 December 2014, together with the comparative period data as at and for the year ended 31 December 2013, as described in the accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 January 2013, the Group's date of transition to IFRS.

In assessing the impact of the conversion to IFRS, no adjustments were required to the opening balances as at 1 January 2013 or as at 1 January 2014.

The Income Statement and the Cashflow Statement have been represented in accordance with IAS 1 but no adjustments to the figures were required.

2.2 Basis of consolidation

The interim condensed consolidated financial statements consolidate the financial statements of the Group and its subsidiary undertakings as at 30 June 2014 and 30 June 2015. Prior reporting periods represent the results of European Wealth Group Limited as a standalone entity.

The consolidated financial statements incorporate the financial statements of the Group made up to 31 December each year. From 1 January 2013 to 6 May 2014, the Group consisted solely of European Wealth Group Limited, which at the time was an Investment Company.

As at 30 June 2015 the Group consisted of the following subsidiaries, European Wealth Management Group Limited, European Investment Management Limited, European Financial Planning Limited, European Wealth Trading Limited, P&C Global Wealth Managers SA, GTI Fund Investment Ltd P&C Global, European Investment Management Nominees Limited, Compass Financial Benefits Limited, EW Investments Limited and Matthews Smith (Financial Consultants) Limited.

All acquisitions are consolidated on the date of acquisition.

For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pounds sterling, which is the functional currency of the Company and the presentational currency for the consolidation financial statements.

European Wealth Management Group Limited, European Investment Management Limited, European Financial Planning Limited, European Wealth Trading Limited have been consolidated to the Income Statement as of 7 May 2014.

Compass Financial Benefits Limited has been consolidated as of 25 June 2014.

P&C Global Wealth managers SA has been consolidated as of 1 December 2014. This company reports its company accounts in Swiss Francs. These have been converted into Sterling for the purposes of the consolidation based on year end rates for the balance sheet and average rates for the Income Statement.

EIM Nominees Limited has net assets of £21 and therefore that Company's information is not shown separately. Under The Companies (Guernsey) Law, 2008, EIM Nominees Limited is exempt from the requirement to present its own income statement.

2.3 Key sources of judgements and estimation uncertainty

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgement at the date of preparation of the financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

3. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net return on ordinary activities after tax for the period and on the weighted average number of the Company's ordinary shares of 5 pence ("Ordinary Shares") in issue during the period. Accordingly, the weighted average number of Ordinary Shares in issue for the six months ended 30 June 2015 was 20,018,087 (2014: 11,370,691).

4. CALLED UP SHARE CAPITAL

On 25 July 2014 as part of the deferred consideration for Bradley Stuart, 43,488 ordinary shares of 5p each were issued to Mr Peter Mullins at a price of 100p per share.

On 14 November 2014 the Company issued 1,309,620 ordinary shares of 5p each at an issue price of 104.9p per share as part of the consideration for the acquisition of P&C Global Wealth Managers SA and GTI Fund Investment Ltd.

On 28 November 2014 the Company issued 3,094,288 ordinary shares of 5p each at an issue price of 72p per share as a result of the conversion of 222,789 convertible loan note units (representing £2,227,890 in nominal amount).

On 23 December 2014 as part of the deferred consideration for Bradley Stuart, 943,750 ordinary shares of 5p each were issued to Mr Peter Mullins at a price of 100p per share.

On 2 June 2015 the Company issued 73,529 ordinary shares of 5p each at an issue price of 85p per share as a result of the conversion of 6,250 convertible loan note units (representing £62,500 in nominal amount).

On 12 June 2015 the Company announced the completion of a placing of 2,527,095 ordinary shares of 5p each at an issue price of to 80p per share to raise approximately £2.0 million.

On 22 June 2015 as part of the deferred consideration for Bradley Stuart, 88,014 ordinary shares of 5p each were issued to Mr Peter Mullins at a price of 88.5p per share.

5. Business combinations

During the 6 month period to June 2015 the Group did not complete on any acquisitions. In the 12 month period to 31 December 2014 the Group completed 3 acquisitions.

European Wealth Management Group Limited

On 7 May 2014, European Wealth Group Limited acquired 100% of the issued share capital of European Wealth Management Group Limited.

European Wealth Management Group Limited is a fast growing private wealth management business which was founded in 2009 and commenced trading in 2010. Its core services are financial planning, corporate pension advisory and investment management in both equity and fixed interest instruments.

The consideration paid totalled £13.5 million with further details provided in note 5 to this announcement.

Compass Financial Benefits Limited

On 25 June 2014, EWMG acquired 100% of the issued share capital of Compass Financial Benefits Limited ("Compass") a financial planning business with £31million of funds under influence.

Compass was acquired for a maximum consideration of three times its recurring income (being Compass's retail distribution review compliant recurring income) for the 12 months following completion. The consideration is payable in two tranches; an initial tranche, payable on completion, of £539,150, was satisfied half in cash, being £269,575, and half in 269,575 ordinary shares of European Wealth Group Limited at a price of 100p per share. The remainder of any consideration due will be similarly satisfied half in in cash and half in ordinary shares.

P&C Global Wealth Managers SA and GTI Fund Investment Limited

On 14 November 2014, European Wealth Group Limited acquired 100% of the issued share capital of P&C Global Wealth Managers SA and GTI Fund Investment Limited ("P&C").

P&C is a Swiss company which was founded over 10 years ago by Iain Little and Bruce Albrecht, in order to provide a range of high quality financial and related services to international clients. GTI is a sister company, incorporated in the Cayman Islands, which offers a range of funds advised by P&C.

The consideration for is split into two tranches. The initial tranche of £1,387,598 was satisfied via the payment of approximately £13,807 in cash and the issue of 1,309,620 ordinary shares of 5p each in the capital of the Company at an issue price of 104.9p per share.

Up to a further £1,373,791 will be due in early 2016, dependent on the funds under management and pipeline as at 13 November 2015. The deferred consideration will be satisfied through the issue of up to 1,309,620 ordinary shares, also at an issue price of 104.9p per share. Both the initial tranche of shares and the deferred consideration shares will be subject to 12-month orderly market arrangements.

6. Intangible assets and goodwill

Goodwill

European Wealth Group Limited has recognised goodwill in respect of the European Wealth Management Group Limited acquisition, the P&C and GTI acquisition and the Compass acquisition as per the table below. The factors that make up the goodwill recognised include but are not limited to, the greater P/E ratio valuations placed on firms with assets under management compared to assisting in delivering the benefits of recurring and non-trading dependent revenue.

	Group
	£'000
Cost	
At 31 December 2013	-
Additions	13,025
At 30 June 2014	**13,025**
Additions	2,620
At 31 December 2014	15,645
Additions	-
As at 30 June 2015	**15,645**
Impairment	
At 30 June 2014 and 30 June 2015	**-**
Net book values	
At 30 June 2015	**15,645**
At 30 June 2014	13,025

The Group will test, for each Cash Generating Unit ("CGU"), at least annually for goodwill impairment. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flows based on financial budgets prepared by management covering a five year period and then extrapolated for the remaining useful economic life based on relevant estimated growth rates for revenue and

costs. This will then be adjusted for the anticipated terminal growth value. This net cash flow is then discounted by an appropriate cost of capital in order to estimate their present value.

The key assumptions for the value-in-use calculations are those regarding the discount rate, growth rates and expected changes to revenues and costs in the period. Management has made these assumptions based on past experience and future expectations in the light of anticipated market conditions, combined with the actions taken during this and last year to streamline the Group's operations whilst maximising revenue potential.

Where the value-in-use exceeds the carrying value of the goodwill asset, it has been concluded that no impairment is necessary. However, where this is not the case, goodwill is written down to the net present value of cash flows at the balance sheet date.

The amounts recognised in respect of the identifiable assets required and liabilities assumed are as set out in the table below:

Intangible assets

	Group
	£'000
Cost	
At 31 December 2013	-
Additions	5,789
At 30 June 2014	**5,789**
Additions	1,182
At 31 December 2014	6,971
Additions	-
As at 30 June 2015	**6,971**
Amortisation	
At 31 December 2013	-
Charge	11
At 30 June 2014	**11**
Charge	168
At 31 December 2014	179
Charge	167
At 30 June 2015	**346**
Net book values	
At 30 June 2015	**6,625**
At 30 June 2014	5,778

The above addition to intangible assets represents the value of the funds under management acquired and client base acquired as part of the EWMG acquisition, the Compass acquisition (a fully owned subsidiary of EWMG) and the P&C acquisition.

The intangible assets are valued using a value applied to the assets under management (i.e. the client lists).

The assets are assessed for their useful life on an asset by asset basis in order to determine amortisation rates. There are currently £6.7 million of intangible assets being amortised over 20 years and £0.3 million have been assessed to have an infinite useful life.

7. Long term liabilities

	30 June 2015	30 June 2014	31 December 2014
	£'000	£'000	£'000
Convertible loan note	**3,963**	5,474	4,025
Long term borrowings	**900**	500	200
Other long term payables	**528**	95	535
	5,391	6,069	4,760

Convertible loan note

On 7 May 2014 as part of the acquisition of EWMG, £5,750,390 worth of convertible loan notes ("CLS") were issued. The CLS is available in individual units worth £10 and CLS attracts a coupon rate of 10% per annum payable half yearly. The CLS has stepped conversion terms, which along with all other terms, are detailed in the Admission Document which is available on the Company's website.

On the first conversion date in November 2014, 222,789 CLS units (representing £2,227,890 in nominal amount) converted into Ordinary shares in the Company at a price of 72 pence per share.

In December 2014 a further 70,625 CLS units (representing £706,250 in nominal amount) were issued in respect of deferred consideration due to Mr Peter Mullins pursuant to the agreement for the acquisition of Bradley Stuart, dated 18 October 2012.

On the second conversion date in May 2015, 6,250 CLS units (representing £62,500 in nominal amount) converted into Ordinary shares in the Company at a price of 85 pence per share.

As a result there are currently 416,625 CLS units in issue (representing £4,166,250 in nominal amount). Of this total amount £203,135 has been taken to the capital reserves in accordance with IAS 32. This is based on an assumed effective interest rate of 12% per annum.

Long term borrowings

Included in long term borrowings are the following:

On 30 June 2015 European Financial Planning Limited entered into an agreement with Clydesdale Bank plc to open a business loan facility ("the Facility") of £500,000. The Facility is repayable in 12 instalments over a period of 3 years from the date of the agreement.

The interest rate applicable to the Facility is 3.75% per annum over Libor.

On 24 October 2014 John Morton and Rod Gentry loaned EWMG £100,000 each. The loans were made at an interest rate of 0% and are repayable at the Company's discretion. As at 30 June 2015 £100,000 in total was outstanding (2014: £nil).

In August and December 2013, loans of £300,000 and £200,000, respectively of two-year non-convertible unsecured loans were taken out, both attracting interest at 10% p.a. Both loans remain outstanding as at the

date of these financial statements. The re-payment date for the loan of £300,000 has been extended to August 2016 and therefore remains classed as a long term liability for the purpose of the June 2015 accounts. The £200,000 loan remains unpaid and is classed as a short term liability.

8. Post balance sheet events

ISM Solutions acquisition

On 1 July 2015 the Company announced the completion of the acquisition of Greensnow Limited, an IFA business that trades under the name ISM Solutions ("ISM"). Due to the acquisition completing post 30 June 2015 the Income Statement and Balance sheet of ISM have not been consolidated in the Group figures in this announcement.

Based in the City of London, the clients of ISM are made up of predominantly young, aspiring professionals in both the legal and accountancy professions. For the full year to 31 March 2015 ISM had turnover of £1.1 million of which approximately 92% was recurring income and profit before tax of £114,986. As at 31 March 2015, ISM had aggregate net assets of £29,000.

The aggregate maximum consideration for the acquisition of ISM is £3.0 million, of which 50% is to be satisfied in cash and 50% in Ordinary Shares of 5p each of the Company. The initial consideration payable on completion to ISM was £1.25 million and has been paid in cash and Ordinary Shares.

Any balance of the ISM consideration will be paid approximately 12 months from 1 July 2015 and is contingent, inter alia, on ISM's recurring revenue for the 12 month period following 1 July 2015. Assuming the maximum consideration becomes due and payable under the terms of the Acquisition, the second payments of consideration due to the vendors of ISM would be £875,000 in cash and £875,000 in shares.

Bells Solicitors Limited

On 21 September 2015 the Group completed the acquisition of the financial planning business of Bells Solicitors Limited (“Bells Financial Planning”). Bells Solicitors Limited is a solicitor practice based in Farnham in Surrey. In 1999 Bells Solicitors Limited set up a financial planning business, adopting a professional culture focusing on a fee-based service proposition, which has enabled it to deal with changes to the regulatory landscape where other financial services firms may have struggled.

Bells Financial Planning is a successful, well established and cash generative business. In the financial year to 31 August 2015, Bells Financial Planning clients accounted for approximately £43m of funds under influence and generated approximately £185,000 of revenue of which approximately 91% was recurring.

The aggregate maximum consideration payable for the acquisition of the Bells Financial Planning business is £675,000, of which 80% is to be satisfied with cash and 20% in Ordinary Shares of 5p each of the Company. The initial consideration payable on completion was £224,000 and has been paid in cash and Ordinary Shares.

Any balance of the Bells Financial Planning consideration will be paid approximately 14 months and 24 months after completion, inter alia, contingent on recurring revenue generated from the Bells Financial Planning client base.