

Hottinger Private Office Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2018

Hottinger Private Office Limited

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Hottinger Private Office Limited

Company Information

Directors	M J Robertson G W D Heseltine
Registered office	4th Floor 27 Queen Anne's Gate London SW1H 9BU
Bankers	Natwest 25 High Street Colchester Essex CO1 1DG
Auditors	Dixon Wilson 22 Chancery Lane London WC2A 1LS

Hottinger Private Office Limited

Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Fair review of the business

Following a year of consolidation in 2017, 2018 saw this trend continuing with clients being introduced to the full services of the Group.

In Hottinger Private Office, a switch from mandated to advisory fees saw the latter increase significantly. The addition of key new clients also helped increase the company's revenue. However, the company's profitability fell due to slightly increased staffing costs and one-off bad debts.

Hottinger Investment Management saw assets continue to grow, with funds under management increasing steadily. Increased income generation led to higher profitability over the year.

2019 will see the launch of two new Group services. Hottinger Investment Circle is a members-only private equity and private lending platform and Hottinger Art will offer art advisory services to the Group's clients. The Group will maintain its keen focus on costs whilst looking to grow further through new client acquisition and looking to take advantage of new opportunities globally.

Principal risks and uncertainties

The principle risks to Hottinger Private Office Ltd are:

- fall in the markets could result in a reduction in the value of funds under advice
- The loss of any existing client policies
- The non-payment of fees owed to the company

The principal risks to Hottinger Investment Management Ltd are:

- A fall in markets could result in a reduction in the value of funds under management, on which the company's income is based.
- Any failures in operating controls could lead to reputational damage, withdrawal of funds, compensation, penalties and potentially the company's authorisation to carry on regulated activities being revoked.

Approved by the Board on 13 September 2019 and signed on its behalf by:

.....
M J Robertson
Director

Hottinger Private Office Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the for the year ended 31 December 2018.

Directors of the group

The directors who held office during the year were as follows:

M J Robertson

G W D Heseltine

Financial instruments

The company's principal financial instruments consist of financial assets and liabilities such as cash at bank, trade debtors and trade creditors. These arise directly from its operations.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

Price risk arises on financial instruments because of change in, for example, commodity prices or equity prices. The group does not currently have any direct risk of price exposure.

Liquidity risk

The group manages its cash to maximise interest income whilst maintaining sufficient liquid resources to meet the operating needs of its business.

Credit risk

Investments of cash surpluses are made through reputable banks with suitably high credit ratings. Receivables are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Foreign currency risk

The principal foreign currency exposure arises from revenues in foreign currencies.

Directors' liabilities

During the period qualifying third party indemnity policies were in place for the benefit of directors.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 13 September 2019 and signed on its behalf by:

.....
M J Robertson
Director

Hottinger Private Office Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hottinger Private Office Limited

Independent Auditor's Report to the Members of Hottinger Private Office Limited

Opinion

We have audited the financial statements of Hottinger Private Office Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Hottinger Private Office Limited

Independent Auditor's Report to the Members of Hottinger Private Office Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Hottinger Private Office Limited

Independent Auditor's Report to the Members of Hottinger Private Office Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Steven Wakefield (Senior Statutory Auditor)
For and on behalf of Dixon Wilson, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

26 September 2019

Hottinger Private Office Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	<u>3</u>	2,492,705	2,365,856
Administrative expenses		(2,405,546)	(1,989,422)
Other operating income		<u>19,416</u>	<u>50,818</u>
Operating profit	<u>4</u>	106,575	427,252
Other interest receivable and similar income		140	735
Interest payable and similar expenses		<u>(1,492)</u>	<u>-</u>
Profit before tax		105,223	427,987
Taxation	<u>9</u>	<u>(73,873)</u>	<u>(98,445)</u>
Profit for the financial year and total comprehensive income		<u><u>31,350</u></u>	<u><u>329,542</u></u>
Attributable to:			
Owners of the company		31,507	320,536
Minority interests		<u>(157)</u>	<u>9,006</u>
		<u><u>31,350</u></u>	<u><u>329,542</u></u>

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 14 to 26 form an integral part of these financial statements.

Hottinger Private Office Limited

(Registration number: 07078765)

Consolidated Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	<u>10</u>	567,966	638,962
Tangible assets	<u>11</u>	14,587	15,626
		<u>582,553</u>	<u>654,588</u>
Current assets			
Debtors	<u>13</u>	1,902,734	1,842,810
Cash at bank and in hand	<u>14</u>	315,254	663,869
		2,217,988	2,506,679
Creditors: Amounts falling due within one year	<u>15</u>	<u>(770,271)</u>	<u>(1,161,448)</u>
Net current assets		<u>1,447,717</u>	<u>1,345,231</u>
Total assets less current liabilities		2,030,270	1,999,819
Provisions for liabilities		-	(899)
Net assets		<u>2,030,270</u>	<u>1,998,920</u>
Capital and reserves			
Called up share capital	<u>16</u>	1,000	1,000
Other capital contributions	<u>17</u>	1,478,400	1,478,400
Profit and loss account		<u>300,118</u>	<u>268,611</u>
Equity attributable to owners of the company		1,779,518	1,748,011
Minority interests		<u>250,752</u>	<u>250,909</u>
Total equity		<u>2,030,270</u>	<u>1,998,920</u>

Approved and authorised by the Board on 13 September 2019 and signed on its behalf by:

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M J Robertson

Director

The notes on pages 14 to 26 form an integral part of these financial statements.

Hottinger Private Office Limited

(Registration number: 07078765)

Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>11</u>	1,704	4,732
Investments	<u>12</u>	1,762,474	1,762,474
		<u>1,764,178</u>	<u>1,767,206</u>
Current assets			
Debtors	<u>13</u>	1,257,136	1,138,775
Cash at bank and in hand	<u>14</u>	94,662	9,404
		1,351,798	1,148,179
Creditors: Amounts falling due within one year	<u>15</u>	<u>(1,144,962)</u>	<u>(1,046,603)</u>
Net current assets		<u>206,836</u>	<u>101,576</u>
Total assets less current liabilities		1,971,014	1,868,782
Provisions for liabilities		-	(899)
Net assets		<u>1,971,014</u>	<u>1,867,883</u>
Capital and reserves			
Called up share capital	<u>16</u>	1,000	1,000
Other capital contributions	<u>17</u>	1,478,400	1,478,400
Profit and loss account		<u>491,614</u>	<u>388,483</u>
Total equity		<u>1,971,014</u>	<u>1,867,883</u>

The company made a profit after tax for the financial year of £103,131 (2017 - profit of £355,506).

Approved and authorised by the Board on 13 September 2019 and signed on its behalf by:

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M J Robertson

Director

The notes on pages 14 to 26 form an integral part of these financial statements.

Hottinger Private Office Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2018 Equity attributable to the parent company

	Share capital £	Other capital contributions £	Profit and loss account £	Total £	Non- controlling interests £
At 1 January 2018	1,000	1,478,400	268,611	1,748,011	250,909
Profit/(loss) for the year	-	-	31,507	31,507	(157)
Total comprehensive income	-	-	31,507	31,507	(157)
At 31 December 2018	1,000	1,478,400	300,118	1,779,518	250,752
	Share capital £	Other capital contributions £	Profit and loss account £	Total £	Non- controlling interests £
At 1 January 2017	1,000	1,478,400	(51,925)	1,427,475	241,903
Profit for the year	-	-	320,536	320,536	9,006
Total comprehensive income	-	-	320,536	320,536	9,006
At 31 December 2017	1,000	1,478,400	268,611	1,748,011	250,909

The notes on pages 14 to 26 form an integral part of these financial statements.
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Hottinger Private Office Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Other capital contributions £	Profit and loss account £	Total £
At 1 January 2018	1,000	1,478,400	388,483	1,867,883
Profit for the year	-	-	103,131	103,131
Total comprehensive income	-	-	103,131	103,131
At 31 December 2018	1,000	1,478,400	491,614	1,971,014

	Share capital £	Other capital contributions £	Profit and loss account £	Total £
At 1 January 2017	1,000	1,478,400	32,977	1,512,377
Profit for the year	-	-	355,506	355,506
Total comprehensive income	-	-	355,506	355,506
At 31 December 2017	1,000	1,478,400	388,483	1,867,883

The notes on pages 14 to 26 form an integral part of these financial statements.

Hottinger Private Office Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the year		31,350	329,542
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	77,360	87,011
Finance income		(140)	(735)
Finance costs		1,492	-
Corporation tax expense	<u>9</u>	73,873	98,445
		183,935	514,263
Working capital adjustments			
Increase in trade debtors	<u>13</u>	(74,762)	(1,117,152)
(Decrease)/increase in trade creditors	<u>15</u>	(363,705)	467,350
Cash generated from operations		(254,532)	(135,539)
Income taxes (paid)/received	<u>9</u>	(87,406)	6
Net cash flow from operating activities		(341,938)	(135,533)
Cash flows from investing activities			
Interest received		140	735
Acquisitions of tangible assets		(5,325)	(8,612)
Acquisition of intangible assets	<u>10</u>	-	9,188
Advances of loans, classified as investing activities		-	(81,270)
Net cash flows from investing activities		(5,185)	(79,959)
Cash flows from financing activities			
Interest paid		(1,492)	-
Proceeds from other borrowing draw downs		-	150,000
Net cash flows from financing activities		(1,492)	150,000
Net decrease in cash and cash equivalents		(348,615)	(65,492)
Cash and cash equivalents at 1 January	<u>14</u>	663,869	729,361
Cash and cash equivalents at 31 December	<u>14</u>	315,254	663,869

The notes on pages 14 to 26 form an integral part of these financial statements.

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

4th Floor
27 Queen Anne's Gate
London
SW1H 9BU
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2018.

No income statement is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £103,131 (2017 - profit of £355,506).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of financial services and related commission. Turnover is shown net of value added tax and discounts.

Turnover is recognised in the period in which services are provided.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, Fixtures & Fittings	25% to 33% straight line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill on investment in Hottinger Investment Management	10% per annum

Investments

Investments in the subsidiary in the company's individual financial statements are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings from related parties are interest free, unsecured and payable on demand. They are measured at the transaction price.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Other capital contributions received without any obligation to make repayment are also classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

3 Turnover

The analysis of the group's revenue for the year from continuing operations is as follows:

	2018	2017
	£	£
Rendering of services - investment management, brokerage and related advisory and support services	2,492,705	2,365,856

4 Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	6,364	16,015
Amortisation expense	70,996	70,996
Foreign exchange losses	15,186	7,943
Operating lease expense - property	85,470	136,107

5 Exceptional expenses

Included within administrative expenses is £153,120 (2017 - £nil) provided against amounts due from a related party, which are expected to be irrecoverable (see note 19).

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	1,120,684	917,656
Social security costs	167,316	86,958
Other short-term employee benefits	27,197	22,412
Pension costs, defined contribution scheme	28,517	45,181
Other employee expense	15,541	6,658
	1,359,255	1,078,865

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Administration and support	9	9
Senior management	5	5
	14	14

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	296,984	247,500
Contributions paid to money purchase schemes	13,340	12,500
	<u>310,324</u>	<u>260,000</u>

In respect of the highest paid director:

	2018 £	2017 £
Remuneration	167,175	125,000
Company contributions to money purchase pension schemes	-	12,500
	<u>-</u>	<u>12,500</u>

8 Auditors' remuneration

	2018 £	2017 £
Audit of these financial statements	5,400	5,400
Audit of the financial statements of subsidiaries of the company pursuant to legislation	12,000	11,000
	<u>17,400</u>	<u>16,400</u>

Other fees to auditors

Taxation compliance services	1,500	6,524
All other non-audit services	2,732	9,446
	<u>4,232</u>	<u>15,970</u>

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

9 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	59,933	87,406
UK corporation tax adjustment to prior periods	-	(7,471)
	59,933	79,935
Deferred taxation		
Arising from origination and reversal of timing differences	13,940	18,510
	73,873	98,445
Tax expense in the income statement	73,873	98,445

Reconciliation of tax charge to profit before tax multiplied by the standard rate of corporation tax for the period of 19% (2017 - 19.25%).

	2018 £	2017 £
Profit before tax	105,223	427,987
Corporation tax at standard rate	19,992	82,373
Effect of expense not deductible in determining taxable profit (tax loss)	48,865	16,594
UK deferred tax expense/(credit) relating to changes in tax rates or laws	5,016	(522)
Total tax charge	73,873	98,445

Deferred tax assets and liabilities - Group

	Asset £	
2018		
Accelerated tax depreciation		499
Tax losses		78,765
		79,264
	Asset	Liability
	£	£
2017		
Accelerated tax depreciation	2,155	899
Tax losses	91,947	-
	94,102	899

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £35,000.

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

9 Taxation (continued)

Deferred tax assets and liabilities - Company

	Asset
2018	£
Accelerated tax depreciation	232
	232
2017	Liability
	£
Accelerated tax depreciation	899
	899

Factors affecting overall tax charge for the period

The tax charge for the period is impacted by an impairment charge of £153,120 against amounts due from a related party that was placed into liquidation in the period. The impairment charge is not deductible for tax purposes.

Factors that may affect future tax charges

Finance (No. 2) Act 2015 sets the main rate of corporate tax at 17% with effect from the financial year 2020.

10 Intangible assets

Group

	Goodwill	Total
	£	£
Cost or valuation		
At 1 January 2018	709,958	709,958
At 31 December 2018	709,958	709,958
Amortisation		
At 1 January 2018	70,996	70,996
Amortisation charge	70,996	70,996
At 31 December 2018	141,992	141,992
Carrying amount		
At 31 December 2018	567,966	567,966
At 31 December 2017	638,962	638,962

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

11 Tangible assets

Group

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2018	31,495	31,495
Additions	5,325	5,325
At 31 December 2018	36,820	36,820
Depreciation		
At 1 January 2018	15,868	15,868
Charge for the year	6,365	6,365
At 31 December 2018	22,233	22,233
Carrying amount		
At 31 December 2018	14,587	14,587
At 31 December 2017	15,626	15,626

Company

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2018	12,112	12,112
At 31 December 2018	12,112	12,112
Depreciation		
At 1 January 2018	7,380	7,380
Charge for the year	3,028	3,028
At 31 December 2018	10,408	10,408
Carrying amount		
At 31 December 2018	1,704	1,704
At 31 December 2017	4,732	4,732

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

12 Investments

Company

Subsidiaries

Cost

At 1 January 2018 1,762,474

Carrying amount

At 31 December 2018 1,762,474

At 31 December 2017 1,762,474

Details of subsidiary undertakings

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Hottinger Investment Management Limited	27 Queen Anne's Gate, London, SW1H 9BU	Ordinary	80%	80%
Hottinger Group Limited	27 Queen Anne's Gate, London, SW1H, 9BU	Ordinary	100%	100%

The principal activity of Hottinger Investment Management Limited is investment management. The company acquired 80% of the shares in Hottinger Investment Management during 2016.

Hottinger Group Limited is a dormant entity, wholly owned by Hottinger Investment Management Limited

The Company was party to put and call options over a further 15% of shares in Hottinger Investment Management Limited. Notice of exercise of the options was required to be given by 31 December 2018. In December 2018 the Company gave notice that it was exercising the call options to acquire the 15% shareholding, and the acquisition completed in 2019. The Directors consider that the price payable under the terms of the options was the fair market value of the shares concerned, and accordingly no value is stated in these accounts for the options.

13 Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	341,943	393,317	338,037	378,317
Amounts owed by related parties	1,007,511	894,337	788,322	662,863
Other debtors	65,364	47,692	44,488	40,875
Prepayments	39,941	55,569	17,908	4,720
Accrued income	368,711	357,793	68,149	52,000
Deferred tax assets	79,264	94,102	232	-
Total current trade and other debtors	<u>1,902,734</u>	<u>1,842,810</u>	<u>1,257,136</u>	<u>1,138,775</u>

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

14 Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash on hand	956	585	956	155
Cash at bank	314,298	663,284	93,706	9,249
	315,254	663,869	94,662	9,404

15 Creditors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Due within one year				
Loans and borrowings	216,000	216,000	216,000	216,000
Trade creditors	46,936	124,940	2,896	57,335
Amounts due to related parties	265,384	415,024	776,973	427,482
Social security and other taxes	60,082	73,035	40,092	46,603
Other payables	8,121	192,501	8,122	192,502
Accrued expenses	101,985	52,542	29,116	19,275
Corporation tax liability	59,933	87,406	59,933	87,406
Deferred income	11,830	-	11,830	-
	770,271	1,161,448	1,144,962	1,046,603

16 Share capital

Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
		1,000		1,000

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

17 Reserves

Other capital contributions

Other capital contributions are amounts provided to the company by its parent entity without a formal issue of shares but where the company has no obligation to make repayment. The amounts were contributed to enable the company to purchase the subsidiary.

18 Obligations under leases

Group

Operating leases - lessee

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	-	104,174
Later than one year and not later than five years	36,667	36,667
	<u>36,667</u>	<u>140,841</u>

Operating leases - lessor

The total of future minimum lease receipts is as follows:

	2018	2017
	£	£
Not later than one year	-	13,500

Company

Operating leases - lessee

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	-	16,174

Operating leases - lessor

The total of future minimum lease receipts is as follows:

	2018	2017
	£	£
Not later than one year	-	13,500

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

19 Related party transactions

Key management compensation

Key management are the directors. Remuneration is disclosed in note 6.

Summary of other related party transactions

Transactions with related parties include various expenses shared and recharged among entities under common control, including staff, office, IT and marketing expenses.

In addition loans have been made to / received from entities under the common control of the parent, Archco Limited, and a shareholder in Archco Limited. Loans are interest free, unsecured, and payable on demand.

During the period loans were made to Quintessentially People Limited. On 21 August 2018 Quintessentially People Limited was placed into liquidation. Significant realisations are not expected, and amounts due from Quintessentially People Limited have been provided against in full, as set out below.

	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
Parent entity				
Amounts receivable at end of period	147,735	52,735	130,997	35,997
Other entities under common control				
<i>Transactions in period</i>				
Net expenses recharged	326,830	187,945	337,505	191,873
Rent income	19,416	19,416	47,985	47,985
Bad debt written off in period	153,120	133,832	-	-
Loans advanced	524,983	504,888	89,270	89,270
Loans repayments received	-	290,000	-	-
Loans received	135,450	686,355	150,000	150,000
<i>Balances at end of period</i>				
Amounts receivable at end of period	859,776	735,587	771,820	635,346
Amounts payable at end of period	(412,225)	(923,814)	(565,024)	(577,482)
	447,551	(188,227)	206,796	57,864
Other related parties				
Amounts payable at end of period	(66,000)	(66,000)	(66,000)	(66,000)

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

20 Financial instruments

Categorisation of principal financial instruments

	2018	2017
	£	£
Group		
Bank balances	314,298	663,284
Financial assets that are debt instruments measured at amortised cost	1,771,271	1,693,139
Financial liabilities measured at amortised cost	(650,256)	(1,001,007)
	2018	2017
	£	£
Company		
Bank accounts	93,706	9,249
Financial assets that are debt instruments measured at amortised cost	1,239,228	1,134,055
Financial assets that are equity instruments measured at cost less impairment	1,762,474	1,762,474
Financial liabilities measured at amortised cost	(1,044,937)	(912,594)

Financial assets measured at amortised cost include trade receivables and loans to related parties.

Financial liabilities measured at amortised cost include trade payables and borrowings from related parties.

Equity instruments are the investment in the company's subsidiary.

21 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is ArchCo Limited, incorporated in Malta. ArchCo Limited does not prepare consolidated financial statements.

22 Non adjusting events after the financial period

In December 2018 the company gave notice that it was exercising options to acquire a further 15% shareholding in Hottinger Investment Management Limited, increasing the shareholding from 80% to 95%. The completion date under the options is in 2019 and the increase in control will be reflected in the 2019 financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.