

Hottinger Private Office Limited

(formerly Archimedes Private Office (UK) Limited)
Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2016

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

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Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) 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
(formerly Archimedes Private Office (UK) Limited)

Strategic Report for the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Fair review of the business

For Hottinger Private Office Ltd 2016 was a similar year to 2015 in terms of business, however in 2017 the company will see a significant increase in the number of its clients and income as client mandates are transferred to the company, and it is anticipated that some new client families will be onboarded.

For Hottinger Investment Management Ltd 2016 was a year of transition with the merger with Hottinger Private Office being completed in July 2016. There were a number of changes in personnel unrelated to the merger, due to individual changes in circumstances, leading to a reduction in payroll costs.

In 2016 there was a notable decline in special mandate income, due to a mixture of bankruptcy, death and structural changes, all outside of the company's control. Once FCA approval of the merger was granted in July 2016, the synergies proposed during the merger discussions were enacted, leading to a marked increase in the introduction of new clients and an injection of new income. As a result, there was an increase in management fees in H2 2016.

2016 also saw a refurbishment of the London Office, with a significant upgrade and re-modelling of the offices, enhancing the quality and increasing the efficiency of the floor space, sharing office space and occupancy costs with other group companies. The company is in a good position to benefit from the cost reductions and the new income growth, and a return to profitability is expected in 2017.

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 6 December 2017 and signed on its behalf by:

.....
M J Robertson
Director

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Directors' Report for the Year Ended 31 December 2016

The directors present their report and the for the year ended 31 December 2016.

The company changed name from Archimedes Private Office (UK) Limited to Hottinger Private Office Limited on 19 September 2016.

Director of the group

The director who held office during the year was as follows:

M J Robertson

The following director was appointed after the year end:

G W D Heselstine (appointed 9 January 2017)

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.

Interest rate risk

The group makes use of its business reserve account to minimise short to medium term cash flow interest rate risk.

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.

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 6 December 2017 and signed on its behalf by:

.....
M J Robertson
Director

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) 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
(formerly Archimedes Private Office (UK) Limited)

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

We have audited the financial statements of Hottinger Private Office Limited for the year ended 31 December 2016, set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2016 and of the group's loss 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.

Other Matter

The corresponding figures are unaudited.

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

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

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 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

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

7 December 2017

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Consolidated Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	<u>3</u>	1,213,246	349,692
Administrative expenses		(1,348,062)	(372,572)
Other operating income		<u>7,115</u>	<u>-</u>
Operating loss	<u>4</u>	(127,701)	(22,880)
Other interest receivable and similar income		<u>1,724</u>	<u>-</u>
Loss before tax		(125,977)	(22,880)
Taxation	<u>8</u>	<u>9,606</u>	<u>(7,285)</u>
Loss for the financial year and total comprehensive loss		<u><u>(116,371)</u></u>	<u><u>(30,165)</u></u>
Attributable to:			
Owners of the company		(95,146)	(30,165)
Minority interests		<u>(21,225)</u>	<u>-</u>
		<u><u>(116,371)</u></u>	<u><u>(30,165)</u></u>

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

The notes on pages 13 to 25 form an integral part of these financial statements.
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Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

(Registration number: 07078765)

Consolidated Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	<u>9</u>	719,146	-
Tangible assets	<u>10</u>	23,029	19,071
		742,175	19,071
Current assets			
Debtors	<u>13</u>	664,524	46,059
Cash at bank and in hand		729,361	1,071,788
		1,393,885	1,117,847
Creditors: Amounts falling due within one year	<u>15</u>	(464,157)	(57,817)
Net current assets		929,728	1,060,030
Total assets less current liabilities		1,671,903	1,079,101
Provisions for liabilities		(2,525)	-
Net assets		1,669,378	1,079,101
Capital and reserves			
Called up share capital	<u>16</u>	1,000	1,000
Other capital contributions	<u>17</u>	1,478,400	1,034,880
Profit and loss account		(51,925)	43,221
Equity attributable to owners of the company		1,427,475	1,079,101
Minority interests		241,903	-
Total equity		1,669,378	1,079,101

Approved and authorised by the Board on 6 December 2017 and signed on its behalf by:

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M J Robertson

Director

The notes on pages 13 to 25 form an integral part of these financial statements.
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Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

(Registration number: 07078765)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	<u>10</u>	13,290	19,071
Investments	<u>11</u>	1,762,474	-
		<u>1,775,764</u>	<u>19,071</u>
Current assets			
Debtors	<u>13</u>	99,974	46,059
Cash at bank and in hand		16,588	1,071,788
		116,562	1,117,847
Creditors: Amounts falling due within one year	<u>15</u>	<u>(377,424)</u>	<u>(57,817)</u>
Net current (liabilities)/assets		<u>(260,862)</u>	<u>1,060,030</u>
Total assets less current liabilities		1,514,902	1,079,101
Provisions for liabilities		<u>(2,525)</u>	-
Net assets		<u>1,512,377</u>	<u>1,079,101</u>
Capital and reserves			
Called up share capital		1,000	1,000
Other capital contributions		1,478,400	1,034,880
Profit and loss account		32,977	43,221
Total equity		<u>1,512,377</u>	<u>1,079,101</u>

The company made a loss after tax for the financial year of £10,244 (2015 - loss of £30,165).

Approved and authorised by the Board on 6 December 2017 and signed on its behalf by:

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M J Robertson

Director

The notes on pages 13 to 25 form an integral part of these financial statements.
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Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2016
Equity attributable to the parent company

	Share capital £	Other capital contributions £	Profit and loss account £	Total £	Non- controlling interests £
At 1 January 2016	1,000	1,034,880	43,221	1,079,101	-
Loss for the year	-	-	(95,146)	(95,146)	(21,225)
Total comprehensive income	-	-	(95,146)	(95,146)	(21,225)
Capital contributed	-	443,520	-	443,520	-
NCI arising on acquisition of subsidiary	-	-	-	-	263,128
At 31 December 2016	1,000	1,478,400	(51,925)	1,427,475	241,903
	Share capital £	Other capital contributions £	Profit and loss account £	Total £	Non- controlling interests £
At 1 January 2015	1,000	-	73,386	74,386	-
Loss for the year	-	-	(30,165)	(30,165)	-
Total comprehensive income	-	-	(30,165)	(30,165)	-
Capital contributed	-	1,034,880	-	1,034,880	-
At 31 December 2015	1,000	1,034,880	43,221	1,079,101	-

The notes on pages 13 to 25 form an integral part of these financial statements.
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Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital	Other capital contributions	Profit and loss account	Total
	£	£	£	£
At 1 January 2016	1,000	1,034,880	43,221	1,079,101
Loss for the year	-	-	(10,244)	(10,244)
Total comprehensive income	-	-	(10,244)	(10,244)
Capital contributions received	-	443,520	-	443,520
At 31 December 2016	1,000	1,478,400	32,977	1,512,377
	Share capital	Other capital contributions	Profit and loss account	Total
	£	£	£	£
At 1 January 2015	1,000	-	73,386	74,386
Loss for the year	-	-	(30,165)	(30,165)
Total comprehensive income	-	-	(30,165)	(30,165)
Capital contributions received	-	1,034,880	-	1,034,880
At 31 December 2015	1,000	1,034,880	43,221	1,079,101

The notes on pages 13 to 25 form an integral part of these financial statements.

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Consolidated Statement of Cash Flows for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Loss for the year		(116,371)	(30,165)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	12,212	8,981
Finance income		(1,724)	-
Corporation tax expense	<u>8</u>	(9,606)	7,285
		<u>(115,489)</u>	<u>(13,899)</u>
Working capital adjustments			
Increase in trade debtors	<u>13</u>	(249,385)	(11,965)
Increase in trade creditors	<u>15</u>	74,874	45,092
Cash generated from operations		(290,000)	19,228
Income taxes paid	<u>8</u>	(7,292)	-
Net cash flow from operating activities		<u>(297,292)</u>	<u>19,228</u>
Cash flows from investing activities			
Interest received		1,724	-
Acquisitions of tangible assets		(15,067)	(6,712)
Acquisition of intangible assets	<u>9</u>	(9,188)	-
Advances of loans, classified as investing activities		(95,000)	-
Net cash movement from acquisition of subsidiary		(437,124)	-
Net cash flows from investing activities		<u>(554,655)</u>	<u>(6,712)</u>
Cash flows from financing activities			
Proceeds from other borrowing draw downs		66,000	-
Capital contributions received, other than issues of share capital		443,520	1,034,880
Net cash flows from financing activities		<u>509,520</u>	<u>1,034,880</u>
Net (decrease)/increase in cash and cash equivalents		(342,427)	1,047,396
Cash and cash equivalents at 1 January		<u>1,071,788</u>	<u>24,392</u>
Cash and cash equivalents at 31 December		<u><u>729,361</u></u>	<u><u>1,071,788</u></u>

The notes on pages 13 to 25 form an integral part of these financial statements.
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Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Notes to the Financial Statements for the Year Ended 31 December 2016

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'. The date of transition to FRS102 is 1 January 2015.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company has taken advantage of the exemption conferred by s408 of the Companies Act 2006 not to disclose its individual profit and loss account..

Going concern

The financial statements have been prepared on a going concern basis. The directors are satisfied that the company's shareholders will provide the company and group with necessary support to enable it to continue trading for the foreseeable future.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2016.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £10,244 (2015 - loss of £30,165).

Hottinger Private Office Limited
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Notes to the Financial Statements for the Year Ended 31 December 2016

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 results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

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.

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 change 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.

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Notes to the Financial Statements for the Year Ended 31 December 2016

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% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

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.

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	20% per annum, commencing 2017
Other intangible assets	33% 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.

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Notes to the Financial Statements for the Year Ended 31 December 2016

Debtors

Trade debtors are amounts due from customers for merchandise sold or 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.

3 Turnover

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

	2016	2015
	£	£
Rendering of services - investment management, brokerage and related advisory and support services	1,213,246	349,692

4 Operating loss

Arrived at after charging/(crediting)

	2016	2015
	£	£
Depreciation expense	12,212	8,981
Foreign exchange gains	(822)	-
Operating lease expense - property	166,615	78,887

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Notes to the Financial Statements for the Year Ended 31 December 2016

5 Staff costs

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

	2016	2015
	£	£
Wages and salaries	703,158	136,858
Social security costs	60,674	7,556
Other short-term employee benefits	10,043	-
Pension costs, defined contribution scheme	17,248	-
	<u>791,123</u>	<u>144,414</u>

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

	2016	2015
	No.	No.
Administration and support	5	1
Senior management	5	2
	<u>10</u>	<u>3</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016	2015
	£	£
Remuneration	146,667	43,371
Compensation for loss of office	16,250	-
	<u>162,917</u>	<u>43,371</u>

7 Auditors' remuneration

	2016	2015
	£	£
Audit of these financial statements	4,500	-
Audit of the financial statements of subsidiaries of the company pursuant to legislation	12,000	-
	<u>16,500</u>	<u>-</u>
Other fees to auditors		
All other non-audit services	<u>5,000</u>	<u>-</u>

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Notes to the Financial Statements for the Year Ended 31 December 2016

8 Taxation

Tax charged/(credited) in the income statement

	2016	2015
	£	£
Current taxation		
UK corporation tax	7,472	7,285
Deferred taxation		
Arising from origination and reversal of timing differences	(17,078)	-
Tax (receipt)/expense in the income statement	(9,606)	7,285

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016	2015
	£	£
Loss before tax	(125,977)	(22,880)
Corporation tax at standard rate	(25,195)	(4,576)
Effect of expense not deductible in determining taxable profit (tax loss)	7,682	5,061
UK deferred tax expense relating to changes in tax rates or laws	7,907	-
Tax increase from other short-term timing differences	-	6,800
Total tax (credit)/charge	(9,606)	7,285

Deferred tax

Group

Deferred tax assets and liabilities

	Asset	Liability
	£	£
2016		
Accelerated tax depreciation	2,332	2,525
Tax losses	111,906	-
	114,238	2,525

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. The reversal reflects the anticipated realisation of deferred tax assets by Hottinger Investment Management in respect of losses brought forward

Company

Deferred tax assets and liabilities

2016

Liability
£

Accelerated tax depreciation

2,525

Hottinger Private Office Limited
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Notes to the Financial Statements for the Year Ended 31 December 2016

9 Intangible assets

Group

	Goodwill	Website development costs	Total
	£	£	£
Cost or valuation			
Additions acquired separately	-	9,188	9,188
Acquired through business combinations	709,958	-	709,958
At 31 December 2016	709,958	9,188	719,146
Amortisation			
At 31 December 2016	-	-	-
Carrying amount			
At 31 December 2016	709,958	9,188	719,146

10 Tangible assets

Group

	Furniture, fittings and equipment	Total
	£	£
Cost or valuation		
At 1 January 2016	36,342	36,342
Additions	15,067	15,067
Acquired through business combinations	1,103	1,103
At 31 December 2016	52,512	52,512
Depreciation		
At 1 January 2016	17,271	17,271
Charge for the year	12,212	12,212
At 31 December 2016	29,483	29,483
Carrying amount		
At 31 December 2016	23,029	23,029

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Notes to the Financial Statements for the Year Ended 31 December 2016

Company

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2016	36,342	36,342
Additions	4,406	4,406
At 31 December 2016	40,748	40,748
Depreciation		
At 1 January 2016	17,271	17,271
Charge for the year	10,187	10,187
At 31 December 2016	27,458	27,458
Carrying amount		
At 31 December 2016	13,290	13,290
At 31 December 2015	19,071	19,071

11 Investments

Company

	£
Subsidiaries	
Cost	
Additions	1,762,474
Carrying amount	
At 31 December 2016	1,762,474

Details of subsidiary undertakings

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2016	2015
Hottinger Investment Management Limited	27 Queen Anne's Gate, London, SW1H 9BU	Ordinary	80%	0%
Hottinger Group Limited	27 Queen Anne's Gate, London, SW1H, 9BU	Ordinary	100%	0%

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

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Notes to the Financial Statements for the Year Ended 31 December 2016

12 Business combinations

On 27 July 2016, Hottinger Private Office Limited acquired 80% of the issued share capital of Hottinger Investment Management Limited (a provider of portfolio management advisory and discretionary services), obtaining control.

Hottinger Investment Management Limited contributed £446,643 revenue and £(106,128) to the group's profit for the period between the date of acquisition and the balance sheet date.

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

	£
Assets and liabilities acquired	
Financial assets	1,393,385
Tangible assets	1,104
Financial liabilities	<u>(78,845)</u>
Total identifiable assets	<u>1,315,644</u>
Less: minority interest at acquisition	(263,128)
Goodwill	<u>709,958</u>
Total consideration	<u><u>1,762,474</u></u>
Satisfied by:	
Cash	<u><u>1,762,474</u></u>
Cash flow analysis:	
Cash consideration	1,762,474
Less: cash and cash equivalent balances acquired	<u>(1,138,910)</u>
Net cash outflow arising from acquisition	<u><u>623,564</u></u>

£186,440 of cash outflows from the acquisition are due in a later period.

The useful life of goodwill is 5 years, and will be amortised starting in 2017.

Hottinger Private Office Limited
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Notes to the Financial Statements for the Year Ended 31 December 2016

13 Debtors

	Note	Group		Company	
		2016 £	2015 £	2016 £	2015 £
Trade debtors		259,531	33,309	-	33,309
Amounts owed by related parties	<u>19</u>	137,830	-	42,590	-
Other debtors		50,481	12,750	23,384	12,750
Prepayments		68,382	-	-	-
Accrued income		34,062	-	34,000	-
Deferred tax assets	<u>8</u>	114,238	-	-	-
Total current trade and other debtors		664,524	46,059	99,974	46,059

14 Cash and cash equivalents

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Cash at bank	729,361	1,071,788	16,588	1,071,788

15 Creditors

	Note	Group		Company	
		2016 £	2015 £	2016 £	2015 £
Due within one year					
Trade creditors		44,030	5,049	7,854	5,049
Amounts due to related parties	<u>19</u>	113,090	29,264	113,090	29,264
Social security and other taxes		47,275	4,377	24,417	4,377
Other payables		192,455	3,784	192,454	3,784
Accrued expenses		59,842	8,058	32,144	8,058
Corporation tax liability	<u>8</u>	7,465	7,285	7,465	7,285
		464,157	57,817	377,424	57,817

16 Share capital

Allotted, called up and fully paid shares

	No.	2016		No.	2015	
		£	£		£	£
Ordinary shares of £1 each	1,000	1,000		1,000	1,000	

Hottinger Private Office Limited
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Notes to the Financial Statements for the Year Ended 31 December 2016

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

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	151,985	61,688
Later than one year and not later than five years	140,841	80,159
	292,826	141,847

Company

Operating leases

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	63,985	61,688
Later than one year and not later than five years	16,174	80,159
	80,159	141,847

19 Related party transactions

Transactions between wholly owned group members are not disclosed unless considered material to an understanding of the financial statements.

Key management personnel

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

Summary of transactions with parent

In December 2016 a loan of £95,000 was advanced by Hottinger Investment Management Limited to the ultimate parent, ArchCo Limited. The loan is interest free, unsecured and falls due in December 2017.

During the period Hottinger Private Office Limited received contributions of £443,520 (2015 - £1,034,880) from ArchCo Limited. Hottinger Private Office does not have any obligation to repay these contributions, which have been classified as equity. The contributions were not a formal issue of shares and do not carry any voting, dividend, or specific redemption rights.

Hottinger Private Office Limited
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Notes to the Financial Statements for the Year Ended 31 December 2016

Summary of transactions with entities under common control

Turnover includes £600,000 (2015 - £207,000) in respect of investment services provided by Hottinger Private Office Limited to an entity under common control of ArchCo Limited.

Summary of transactions with other related parties

An investor in ArchCo Limited has lent Hottinger Private Office Limited £66,000 (2015 - £nil) interest free, unsecured and payable on demand.

20 Financial instruments

Categorisation of principal financial instruments

	2016	2015
	£	£
Group		
Bank balances	729,361	1,071,788
Financial assets that are debt instruments measured at amortised cost	95,000	-
Financial liabilities measured at amortised cost	(252,440)	-
	2016	2015
	£	£
Company		
Bank accounts	16,588	1,071,788
Financial assets that are equity instruments measured at cost less impairment	1,762,474	-
Financial liabilities measured at amortised cost	(252,440)	-

Financial liabilities measured at amortised cost are short term liabilities, being borrowings from related parties. They are unsecured and interest free.

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.

Hottinger Private Office Limited
(formerly Archimedes Private Office (UK) Limited)

Notes to the Financial Statements for the Year Ended 31 December 2016

22 Transition to FRS 102 and prior period corrections

FRS102 transition

£34,000 of income that had been recognised in 2015 has been restated as part of an earlier period. This error had not required restating under previous UK GAAP as it was not fundamental. The transitional adjustments are the same for the company and the group financial statements.

Other prior period restatement

Contributions of £1,034,880 received from the parent entity in December 2015 have been reclassified from current liabilities to reserves. The company does not have an obligation to make repayment.

The line items restated, and changes in total equity, are shown below.

Balance Sheet at 1 January 2015

	As originally reported	Remeasurement	As restated
	£	£	£
Debtors	94	34,000	34,094
Profit and loss account	39,386	34,000	73,386
Total equity	40,386	34,000	74,386

Balance Sheet at 31 December 2015

	As originally reported	Reclassification	As restated
	£	£	£
Creditors: Amounts falling due within one year	1,092,697	(1,034,880)	57,817
Other capital contributions	-	1,034,880	1,034,880
Total equity	44,221	1,034,880	1,079,101

Profit and Loss Account for the year ended 31 December 2015

	As originally reported	Remeasurement	As restated
	£	£	£
Turnover	383,692	(34,000)	349,692
Profit/(loss) for the financial year	3,835	(34,000)	(30,165)

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.