

Registered number: 03941507

HUTCHINSON LILLEY SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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HUTCHINSON LILLEY SERVICES LIMITED

COMPANY INFORMATION

Director	R Hutchinson
Company secretary	L Hutchinson
Registered number	03941507
Registered office	43 Portland Place London W1B 1QH
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Solicitors	Dechert 2 Serjeants' Inn London EC4Y 1LT

HUTCHINSON LILLEY SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Directors present their report and the financial statements for the year ended 31 March 2017.

Principal activity

The principal activity of the Company is that of management services.

Directors

The Directors who served during the year were as follows:

R Hutchinson

I Lilley resigned as Director on 14 March 2017.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £6,357 (2016 - loss £6,513).

No dividends were paid or proposed during the year.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HUTCHINSON LILLEY SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

This report was approved by the board and signed on its behalf.



R Hutchinson
Director

Date: 21 Dec, 2017

HUTCHINSON LILLEY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HUTCHINSON LILLEY SERVICES LIMITED

We have audited the financial statements of Hutchinson Lilley Services Limited for the year ended 31 March 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 Financial Reporting Council's Ethical Standards for Auditors.

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 Group's and the parent 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 Directors' 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 financial statements

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 March 2017 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.

HUTCHINSON LILLEY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HUTCHINSON LILLEY SERVICES LIMITED (CONTINUED)

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.



Rakesh Shaunak FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 21 December 2017

HUTCHINSON LILLEY SERVICES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	4	4,862,443	3,226,055
Cost of sales		(4,076,645)	(1,944,687)
Gross profit		785,798	1,281,368
Administrative expenses		(482,730)	(714,460)
Exceptional administrative expenses	11	(41,664)	-
Operating profit	5	261,404	566,908
Interest receivable and similar income	8	371	1,688
Interest payable and expenses	9	-	(154)
Profit before taxation		261,775	568,442
Tax on profit	10	(6,500)	-
Profit for the financial year		255,275	568,442
Profit for the year attributable to:			
Non-controlling interests		248,918	574,955
Owners of the Parent Company		6,357	(6,513)
		255,275	568,442

There were no recognised gains and losses for 2017 or 2016 other than those included in the Consolidated Statement of Comprehensive Income.

There was no other comprehensive income for 2017 (2016 - £Nil).

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

HUTCHINSON LILLEY SERVICES LIMITED
REGISTERED NUMBER:03941507

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	<u>5,188</u>	<u>6,723</u>
		5,188	6,723
Current assets			
Debtors: amounts falling due within one year	14	370,177	592,229
Cash at bank and in hand	15	<u>435,114</u>	<u>292,962</u>
		805,291	885,191
Creditors: amounts falling due within one year	16	<u>(350,952)</u>	<u>(304,148)</u>
Net current assets		454,339	581,043
Total assets less current liabilities		<u>459,527</u>	<u>587,766</u>
Net assets		<u>459,527</u>	<u>587,766</u>
Capital and reserves			
Called up share capital	18	210,000	210,000
Share premium account	19	17,500	17,500
Profit and loss account	19	102,084	95,727
Equity attributable to owners of the parent Company		<u>329,584</u>	<u>323,227</u>
Non-controlling interests		<u>129,943</u>	<u>264,539</u>
		<u>459,527</u>	<u>587,766</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R Hutchinson
 Director

Date: 21 Dec, 2017

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

HUTCHINSON LILLEY SERVICES LIMITED
REGISTERED NUMBER:03941507

COMPANY BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	5,188	6,723
Investments	13	199,700	199,700
		<u>204,888</u>	<u>206,423</u>
Current assets			
Debtors: amounts falling due within one year	14	239,514	156,797
Cash at bank and in hand	15	22,041	27,966
		<u>261,555</u>	<u>184,763</u>
Creditors: amounts falling due within one year	16	(136,858)	(67,959)
Net current assets		<u>124,697</u>	<u>116,804</u>
Total assets less current liabilities		<u>329,585</u>	<u>323,227</u>
Net assets		<u><u>329,585</u></u>	<u><u>323,227</u></u>
Capital and reserves			
Called up share capital	18	210,000	210,000
Share premium account	19	17,500	17,500
Profit and loss account	19	102,085	95,727
		<u>329,585</u>	<u>323,227</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



R Hutchinson
 Director

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

HUTCHINSON LILLEY SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of Parent Company £	Non- controlling interests £	Total equity £
At 1 April 2016	210,000	17,500	95,727	323,227	264,539	587,766
Comprehensive income for the year						
Profit for the year	-	-	6,357	6,357	248,918	255,275
Total comprehensive income for the year	-	-	6,357	6,357	248,918	255,275
Distributions paid to Members	-	-	-	-	(383,514)	(383,514)
At 31 March 2017	210,000	17,500	102,084	329,584	129,943	459,527

HUTCHINSON LILLEY SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of Parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2015	210,000	17,500	102,240	329,740	389,010	718,750
Comprehensive income for the year						
Profit for the year	-	-	(6,513)	(6,513)	574,955	568,442
Total comprehensive income for the year	-	-	(6,513)	(6,513)	574,955	568,442
Distributions paid to Members	-	-	-	-	(699,426)	(699,426)
At 31 March 2016	210,000	17,500	95,727	323,227	264,539	587,766

HUTCHINSON LILLEY SERVICES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	210,000	17,500	95,727	323,227
Comprehensive income for the year				
Profit for the year	-	-	6,357	6,357
	-	-	6,357	6,357
Total comprehensive income for the year				
At 31 March 2017	210,000	17,500	102,084	329,584

HUTCHINSON LILLEY SERVICES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	210,000	17,500	102,240	329,740
Comprehensive income for the year				
Loss for the year	-	-	(6,513)	(6,513)
Total comprehensive income for the year	-	-	(6,513)	(6,513)
At 31 March 2016	210,000	17,500	95,727	323,227

HUTCHINSON LILLEY SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	255,275	568,442
Adjustments for:		
Depreciation of tangible assets	3,225	5,416
Interest paid	-	154
Interest received	(371)	(1,688)
Taxation charge	6,500	-
Decrease/(increase) in debtors	215,553	(34,815)
Increase/(decrease) in creditors	46,803	(40,886)
Net cash generated from operating activities	526,985	496,623
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,690)	(2,744)
Interest received	371	1,688
Net cash from investing activities	(1,319)	(1,056)
Cash flows from financing activities		
Interest paid	-	(154)
Distributions paid to Members	(383,514)	(699,426)
Net cash used in financing activities	(383,514)	(699,580)
Net increase/(decrease) in cash and cash equivalents	142,152	(204,013)
Cash and cash equivalents at beginning of year	292,962	496,975
Cash and cash equivalents at the end of year	435,114	292,962
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	435,114	292,962
	435,114	292,962

HUTCHINSON LILLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Hutchinson Lilley Services Limited is a company limited by shares incorporated in England and Wales. Its registered office and principal place of business is 43 Portland Place, London, WC1B 1QH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 15% straight line
Fixtures and fittings	- 15% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

HUTCHINSON LILLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.9 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the

HUTCHINSON LILLEY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)**2.9 Financial instruments (continued)**

asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is Pound Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.12 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

HUTCHINSON LILLEY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)**2.13 Pensions****Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.15 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The key judgment in preparing these financial statements is revenue recognition. However this is not a source of estimation uncertainty as revenue is comprised of ongoing management fees augmented by pre-agreed performance fees where fund targets have been met.

HUTCHINSON LILLEY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Investment management services	4,736,690	2,718,655
Regulatory umbrella services	108,833	490,480
Consultancy fees	16,920	16,920
	<u>4,862,443</u>	<u>3,226,055</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	4,862,443	3,226,055
	<u>4,862,443</u>	<u>3,226,055</u>

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	3,225	5,416
Foreign exchange differences	(22,301)	22,650
Defined contribution pension cost	83	-
	<u>83</u>	<u>-</u>

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	12,800	12,510
	<u>12,800</u>	<u>12,510</u>

HUTCHINSON LILLEY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	166,292	309,596
Social security costs	18,516	36,817
Cost of defined contribution scheme	83	-
	<u>184,891</u>	<u>346,413</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2017 No.	2016 No.
Administrative staff	5	5
Management staff	2	2
	<u>7</u>	<u>7</u>

8. Interest receivable

	2017 £	2016 £
Bank interest receivable	371	1,688
	<u>371</u>	<u>1,688</u>

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	-	154
	<u>-</u>	<u>154</u>

HUTCHINSON LILLEY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	6,500	-
Total current tax	<u>6,500</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>261,775</u>	<u>568,442</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	52,355	113,688
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,443	676
Capital allowances for year in excess of depreciation	180	(48)
Utilisation of tax losses	(1,694)	-
Non-taxable profits of subsidiary LLP	(49,784)	(114,991)
Unrelieved tax losses carried forward	-	675
Total tax charge for the year	<u>6,500</u>	<u>-</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in October 2015 and will take effect from 1 April 2017. A further reduction from 19% to 17% was substantively enacted in September 2016 and will take effect from 1 April 2020.

11. Exceptional items

	2017 £	2016 £
Net charge to HMRC for PAYE and NI on EBT settlement and overseas employee	41,664	-
	<u>41,664</u>	<u>-</u>

HUTCHINSON LILLEY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Tangible fixed assets**Group and Company**

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2016	7,019	135,603	142,622
Additions	-	1,690	1,690
At 31 March 2017	7,019	137,293	144,312
Depreciation			
At 1 April 2016	7,019	128,880	135,899
Charge for the year	-	3,225	3,225
At 31 March 2017	7,019	132,105	139,124
Net book value			
At 31 March 2017	-	5,188	5,188
At 31 March 2016	-	6,723	6,723

HUTCHINSON LILLEY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Hutchinson Lilley Investments LLP	Members capital	100 %	Fund management services

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Hutchinson Lilley Investments LLP	329,643	248,918
	329,643	248,918

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	199,700
At 31 March 2017	199,700
Net book value	
At 31 March 2017	199,700
At 31 March 2016	199,700

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	256,587	388,569	-	-
Amounts owed by group undertakings	-	-	192,259	89,233
Other debtors	33,646	39,596	33,645	39,596
Prepayments and accrued income	79,944	164,064	13,610	27,968
	370,177	592,229	239,514	156,797

15. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	435,114	292,962	22,041	27,966
	435,114	292,962	22,041	27,966

16. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	113,682	256,735	4,699	26,046
Other taxation and social security	38,868	36,346	38,868	36,346
Other creditors	42,988	67	42,988	67
Accruals and deferred income	155,414	11,000	50,303	5,500
	350,952	304,148	136,858	67,959

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	758,585	817,627	414,549	316,899
	758,585	817,627	414,549	316,899
Financial liabilities				
Financial liabilities measured at amortised cost	(312,084)	(267,802)	(97,991)	(31,613)
	(312,084)	(267,802)	(97,991)	(31,613)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed from group undertakings, accrued income and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

18. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
202,500 ordinary A shares of £1 each	202,500	202,500
7,500 ordinary B shares of £1 each	7,500	7,500
	210,000	210,000

19. Reserves**Share premium account**

This represents the accumulated excess over nominal value of shares issued.

Profit and loss account

This represents the accumulated profits of the Group and Company.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £83 (2016 - £Nil). No contributions (2016 - £Nil) were payable to the fund at the balance sheet date.

21. Commitments under operating leases

At 31 March 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Not later than 1 year	64,000	64,000	64,000	64,000
Later than 1 year and not later than 5 years	192,000	256,000	192,000	256,000
	256,000	320,000	256,000	320,000