

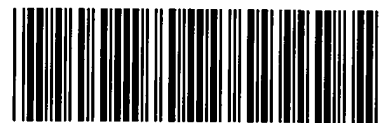
Registered number: 03941507

# **HUTCHINSON LILLEY SERVICES LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**HUTCHINSON LILLEY SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	R Hutchinson I Lilley
<b>COMPANY SECRETARY</b>	L Hutchinson
<b>REGISTERED NUMBER</b>	03941507
<b>REGISTERED OFFICE</b>	43 Portland Place London W1B 1 QH
<b>INDEPENDENT AUDITOR</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
<b>SOLICITORS</b>	Dechert 2 Serjeants' Inn London EC4Y 1LT

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## HUTCHINSON LILLEY SERVICES LIMITED

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## HUTCHINSON LILLEY SERVICES LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

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#### INTRODUCTION

The directors present the group strategic report for the year ended 31 March 2015.

#### BUSINESS REVIEW

The Company is a service company and the principal activity of its subsidiary undertaking continues to be the provision of investment management and advisory services in the UK as an FCA authorised firm, in Continental Europe through passport arrangements and in the United States of America as an exempt foreign investment firm.

The results of the Group for the year show a profit on ordinary activities before taxation and minority interests of £1,326,619 (2014: Profit of £1,236,930) and a profit after taxation and minority interests of £16,402 (2014: Loss of £391,159). The shareholders funds and minority interests of the Group total £718,750 (2014: £603,737).

The performance of the Group for the year ending 31 March 2015 has produced encouraging results, with strong investment performance across all mandates and a modest increase in profit on ordinary activities. Assets under management excluding incubatees have risen from £414.3m to £439.6m due to the continued growth of our Italian client funds.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk acceptance and risk management is addressed through a framework of internal policies, procedures and controls. All policies are subject to board approval and regular review both internally and by retained external consultants. Compliance with regulatory and ethical standards is a high priority for the Group and the Compliance team play an important oversight role in this process.

Investment performance and risk management remain a key deliverable in terms of generating fee revenue and both retaining existing and attracting new clients. Risk management sits at the core of this process and is monitored on a day to day basis by management.

Other risks include systemic risks within the banking and investment sector, banking risk for the group as a whole, and operational risks, particularly relating to dealing in securities.

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## HUTCHINSON LILLEY SERVICES LIMITED

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### GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2015

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#### FINANCIAL KEY PERFORMANCE INDICATORS

	Year to 31 March 2015	Year to 31 March 2014
Errors and Omissions Losses	£nil	£10,913
Breaches Recorded	1	5
Employee retention	100%	100%
Assets under management	£439,655,047	£414,298,157
Return on capital employed (excluding minority interests)	184.6%	104.8%

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



R Hutchinson  
Director

Date: 23 .12 . 2015

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## HUTCHINSON LILLEY SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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The directors present their report and the financial statements for the year ended 31 March 2015.

#### PRINCIPAL ACTIVITIES

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

#### DIRECTORS

The directors who served during the year were:

R Hutchinson  
I Lilley

#### RESULTS

The profit for the year, after taxation and minority interests, amounted to £16,402 (2014 - loss £391,159).

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Directors' 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 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

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HUTCHINSON LILLEY SERVICES LIMITED

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DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015

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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 that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that 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.

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



R Hutchinson  
Director

Date: 23.12.2015

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## **HUTCHINSON LILLEY SERVICES LIMITED**

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

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We have audited the financial statements of Hutchinson Lilley Services Limited for the year ended 31 March 2015, which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement and the related notes. 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 Directors' Responsibilities Statement, 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 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 Group Strategic Report and 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 2015 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.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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**HUTCHINSON LILLEY SERVICES LIMITED**

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

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**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.

*MHA MacIntyre Hudson*

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: *23-12-15*

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**HUTCHINSON LILLEY SERVICES LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

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	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	<b>6,269,595</b>	<b>6,376,058</b>
Cost of sales		<b>(4,208,276)</b>	<b>(3,934,803)</b>
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>2,061,319</b>	<b>2,441,255</b>
Administrative expenses		<b>(737,062)</b>	<b>(1,205,069)</b>
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	3	<b>1,324,257</b>	<b>1,236,186</b>
Interest receivable and similar income		<b>2,362</b>	<b>744</b>
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,326,619</b>	<b>1,236,930</b>
Tax on profit on ordinary activities	6	<b>-</b>	<b>39,596</b>
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>1,326,619</b>	<b>1,276,526</b>
Minority interests		<b>(1,310,217)</b>	<b>(1,667,685)</b>
		<hr/>	<hr/>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	15	<b>16,402</b>	<b>(391,159)</b>
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 11 to 19 form part of these financial statements.

**HUTCHINSON LILLEY SERVICES LIMITED**  
**REGISTERED NUMBER: 03941507**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	7		9,395		11,642
<b>CURRENT ASSETS</b>					
Debtors	9	557,414		414,524	
Cash at bank		496,975		751,595	
		<u>1,054,389</u>		<u>1,166,119</u>	
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(345,034)</u>		<u>(574,024)</u>	
<b>NET CURRENT ASSETS</b>			<u>709,355</u>		<u>592,095</u>
<b>NET ASSETS</b>			<u>718,750</u>		<u>603,737</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		210,000		210,000
Share premium account	15		17,500		17,500
Profit and loss account	15		102,240		85,838
<b>SHAREHOLDERS' FUNDS</b>	16		<u>329,740</u>		<u>313,338</u>
<b>MINORITY INTERESTS</b>	17		<u>389,010</u>		<u>290,399</u>
			<u>718,750</u>		<u>603,737</u>

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

  
 R Hutchinson  
 Director

Date: **23.12.2015**

The notes on pages 11 to 19 form part of these financial statements.

**HUTCHINSON LILLEY SERVICES LIMITED**  
**REGISTERED NUMBER: 03941507**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	7		9,395		11,642
Investments	8		199,700		199,700
			<u>209,095</u>		<u>211,342</u>
<b>CURRENT ASSETS</b>					
Debtors	9	283,898		313,262	
Cash at bank		40,264		65,027	
		<u>324,162</u>		<u>378,289</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(203,517)		(276,293)	
<b>NET CURRENT ASSETS</b>			<u>120,645</u>		<u>101,996</u>
<b>NET ASSETS</b>			<u>329,740</u>		<u>313,338</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		210,000		210,000
Share premium account	15		17,500		17,500
Profit and loss account	15		102,240		85,838
<b>SHAREHOLDERS' FUNDS</b>	16		<u>329,740</u>		<u>313,338</u>

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

  
 .....  
 R Hutchinson  
 Director

Date: **23.12.2015**

The notes on pages 11 to 19 form part of these financial statements.

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**HUTCHINSON LILLEY SERVICES LIMITED**

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**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2015**

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	Note	2015 £	2014 £
Net cash flow from operating activities	18	957,580	1,651,423
Returns on investments and servicing of finance	19	2,362	744
Taxation	19	-	(39,596)
Capital expenditure and financial investment	19	(2,956)	(10,501)
Net cash flow from transactions with members	19	(1,211,606)	(2,178,744)
<b>DECREASE IN CASH IN THE YEAR</b>		<u>(254,620)</u>	<u>(576,674)</u>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MARCH 2015**

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	2015 £	2014 £
(Decrease)/increase in cash in the year	(254,620)	(576,674)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	(254,620)	(576,674)
Net funds at 1 April 2014	751,595	1,328,269
<b>NET FUNDS AT 31 MARCH 2014 (Note 17)</b>	<u>496,975</u>	<u>751,595</u>

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The notes on pages 11 to 19 form part of these financial statements.

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## HUTCHINSON LILLEY SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

##### 1.2 Basis of consolidation

The financial statements consolidate the accounts of Hutchinson Lilley Services Limited and all of its subsidiary undertakings ('subsidiaries').

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax.

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

##### 1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

##### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

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## HUTCHINSON LILLEY SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### 1.9 Employee benefit trusts

Contributions to employee benefit trusts are treated as an asset of the company until they vest unconditionally in identified beneficiaries, at which point they are treated as an expense and charged to the profit and loss account.

#### 2. TURNOVER

The whole of the turnover is attributable to the company's principal business activity.

All turnover arose within the United Kingdom.

#### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the group	5,203	7,070
Auditor's remuneration	12,500	12,000
Operating lease rentals:		
- other operating leases	35,327	45,180
Difference on foreign exchange	44,108	11,306
	<u>          </u>	<u>          </u>

Auditors fees for the company were £6,500 (2014 - £6,250)

#### 4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	342,375	902,188
Social security costs	40,581	91,601
	<u>          </u>	<u>          </u>
	<u>382,956</u>	<u>993,789</u>

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**HUTCHINSON LILLEY SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**4. STAFF COSTS (continued)**

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

	2015 No.	2014 No.
Administrative staff	4	4
Management staff	1	1
	<u>5</u>	<u>5</u>

**5. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	-	176,000
	<u>-</u>	<u>176,000</u>

The highest paid director received remuneration of £NIL (2014 - £88,000).

**6. TAXATION**

	2015 £	2014 £
UK corporation tax charge/(credit) on profit for the year	-	(39,596)
	<u>-</u>	<u>(39,596)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 20% (2014 - 20%) as set out below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,326,619	1,236,930
	<u>1,326,619</u>	<u>1,236,930</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	265,324	247,386
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(2,045)	654
Capital allowances for year in excess of depreciation	745	152
Adjustments to tax charge in respect of prior periods	(1,981)	-
Non taxable profits of subsidiary LLP	(262,043)	(287,788)
	<u>-</u>	<u>(39,596)</u>
<b>Current tax charge/(credit) for the year</b> (see note above)	-	(39,596)



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**HUTCHINSON LILLEY SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**7. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2014	7,019	129,903	136,922
Additions	-	2,956	2,956
At 31 March 2015	7,019	132,859	139,878
<b>Depreciation</b>			
At 1 April 2014	7,019	118,261	125,280
Charge for the year	-	5,203	5,203
At 31 March 2015	7,019	123,464	130,483
<b>Net book value</b>			
At 31 March 2015	-	9,395	9,395
At 31 March 2014	-	11,642	11,642

<b>Company</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2014	7,019	129,903	136,922
Additions	-	2,956	2,956
At 31 March 2015	7,019	132,859	139,878
<b>Depreciation</b>			
At 1 April 2014	7,019	118,261	125,280
Charge for the year	-	5,203	5,203
At 31 March 2015	7,019	123,464	130,483
<b>Net book value</b>			
At 31 March 2015	-	9,395	9,395
At 31 March 2014	-	11,642	11,642

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**HUTCHINSON LILLEY SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**8. FIXED ASSET INVESTMENTS**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	
Hutchinson Lilley Investments LLP	Ordinary	99 %	
			<b>Investments in subsidiary companies £</b>
<b>Company</b>			
<b>Cost or valuation</b>			
At 1 April 2014 and 31 March 2015			<b>199,700</b>
<b>Net book value</b>			
At 31 March 2015			<b>199,700</b>
<i>At 31 March 2014</i>			<i>199,700</i>

Details of the principal subsidiaries can be found under note number 13.

**9. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>231,226</b>	206,323	<b>44,784</b>	20,303
Amounts owed by group undertakings	-	-	<b>142,449</b>	109,922
Corporation tax recoverable	<b>39,596</b>	39,596	<b>39,596</b>	39,596
Prepayments and accrued income	<b>286,592</b>	168,605	<b>57,069</b>	22,229
Other debtors	-	-	-	121,212
	<b>557,414</b>	<b>414,524</b>	<b>283,898</b>	<b>313,262</b>

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**HUTCHINSON LILLEY SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**10. CREDITORS:**  
**Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>140,054</b>	133,670	<b>25,927</b>	727
Other taxation and social security	<b>143,015</b>	222,263	<b>142,625</b>	77,975
Directors loan accounts	<b>22,877</b>	191,003	<b>22,877</b>	191,003
Accruals and deferred income	<b>39,088</b>	27,088	<b>12,088</b>	6,588
	<b>345,034</b>	<b>574,024</b>	<b>203,517</b>	<b>276,293</b>

**11. OPERATING LEASE COMMITMENTS**

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
<b>Expiry date:</b>		
Between 2 and 5 years	<b>48,000</b>	<b>48,000</b>

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Company</b>		
<b>Expiry date:</b>		
Between 2 and 5 years	<b>48,000</b>	<b>48,000</b>

**12. RELATED PARTY TRANSACTIONS**

The amount owed to the company by its subsidiary, Hutchinson Lilley Investments LLP, at the year end was £142,449 (2014: £109,922).

The ultimate controlling party of the company for the current and prior period was R Hutchinson. At 31 March 2015 the directors were owed £nil (2014: £191,003) by the company.

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**HUTCHINSON LILLEY SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**13. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Hutchinson Lilley Investments LLP	England	99%	Fund management services

**14. SHARE CAPITAL**

	<b>2015 £</b>	<b>2014 £</b>
<b>Allotted, called up and fully paid</b>		
202,500 ordinary A shares of £1 each	<b>202,500</b>	<b>202,500</b>
7,500 ordinary B shares of £1 each	<b>7,500</b>	<b>7,500</b>
	<u><b>210,000</b></u>	<u><b>210,000</b></u>

A and B shares are subject to the same rights except B shares hold no voting rights.

**15. RESERVES**

<b>Group</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>
At 1 April 2014	<b>17,500</b>	<b>85,838</b>
Profit for the financial year		<b>16,402</b>
	<u><b>17,500</b></u>	<u><b>102,240</b></u>
At 31 March 2015		
	<u><b>17,500</b></u>	<u><b>102,240</b></u>
<b>Company</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>
At 1 April 2014	<b>17,500</b>	<b>85,838</b>
Profit for the financial year		<b>16,402</b>
	<u><b>17,500</b></u>	<u><b>102,240</b></u>
At 31 March 2015		
	<u><b>17,500</b></u>	<u><b>102,240</b></u>

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**HUTCHINSON LILLEY SERVICES LIMITED**

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**16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2015 £	2014 £
<b>Group and Company</b>		
Opening shareholders' funds	313,338	704,497
Profit for the financial year	16,402	(391,159)
	<u>329,740</u>	<u>313,338</u>
Closing shareholders' funds		

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit/(loss) for the year dealt with in the accounts of the company was £16,402 (2014 - loss £391,159).

**17. MINORITY INTERESTS**

Minority interests relate to the other investors in the subsidiary, Hutchinson Lilley Investments LLP. During the year profit of £1,310,217 was allocated to minority interests and £1,211,606 was paid to those interests, leaving an amount owed of £388,710 at 31 March 2015. In addition other investors own non-equity capital amounting to £300.

**18. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating profit	1,324,257	1,236,186
Depreciation of tangible fixed assets	5,203	7,070
(Increase)/decrease in debtors	(142,889)	719,066
Decrease in creditors	(228,991)	(310,899)
	<u>957,580</u>	<u>1,651,423</u>
<b>Net cash inflow from operating activities</b>		

**19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	2,362	744
	<u>2,362</u>	<u>744</u>
	2015 £	2014 £
<b>Taxation</b>		
Corporation tax paid	-	(39,596)
	<u>-</u>	<u>(39,596)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>(2,956)</u>	<u>(10,501)</u>
	2015 £	2014 £
<b>Transactions with members</b>		
Payments to members	<u>(1,211,606)</u>	<u>(2,178,744)</u>
<b>Analysed as follows:</b>		
Net transactions with members relating to equity	-	-
Net transactions with members relating to debt	<u>(1,211,606)</u>	<u>(2,178,744)</u>
	<u>(1,211,606)</u>	<u>(2,178,744)</u>

**20. ANALYSIS OF CHANGES IN NET FUNDS**

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	<u>751,595</u>	<u>(254,620)</u>	-	<u>496,975</u>
<b>Net funds</b>	<u>751,595</u>	<u>(254,620)</u>	-	<u>496,975</u>