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# Financial Statements Hunter Hall International (UK) Limited

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For the year ended 30 June 2016

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Registered number: 05108946

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Hunter Hall International (UK) Limited

## Company Information

**Director** P J M Hall

**Registered number** 05108946

**Registered office** Level 4  
53 Frith Street  
London  
W1D 4SN

**Independent auditor** Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
30 Finsbury Square  
London  
EC2P 2YU

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**Hunter Hall International (UK) Limited**

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## Hunter Hall International (UK) Limited

# Directors' Report

For the year ended 30 June 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

### Directors' responsibilities statement

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 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 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.

### Principal activity

The principal activity of the company during the year was to operate an investment management business, providing international investment research for fellow group undertakings.

### Results and dividends

The profit for the year, after taxation, amounted to £165,335 (2015 loss: £48,803).

During the year a dividend of £800,000 (2015: £361,144) was paid.

### Directors

The directors who served during the year were:

P J M Hall  
D M Deverall (resigned 5 February 2016)

### Pillar III disclosures

The firm has documented the disclosures required by the FCA under BIPRU 11 on its website.

## Directors' Report (continued)

For the year ended 30 June 2016

### 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'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's auditor is aware of that information.

### Post balance sheet events

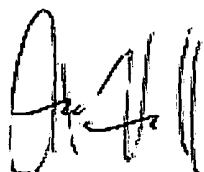
There have been no significant events affecting the Company since the year end.

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

This report was approved by the board on *20 October 2016* and signed on its behalf.



P J M Hall  
Director



## Independent auditor's report to the shareholders of Hunter Hall International (UK) Limited

We have audited the financial statements of Hunter Hall International (UK) Limited for the year ended 30 June 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements.



## Independent auditor's report to the shareholders of Hunter Hall International (UK) Limited (continued)

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

*Grant Thornton UK LLP*

William Pointon (Senior statutory auditor)

for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants

Statutory Auditor

London

Date: 21/10/2016

# Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	963,212	783,458
<b>Gross profit</b>		<u>963,212</u>	<u>783,458</u>
Administrative expenses		(758,240)	(710,788)
Other operating income	5	357	22,905
<b>Operating profit</b>	6	<u>205,329</u>	<u>95,575</u>
Interest receivable and similar income	9	879	1,090
<b>Profit before tax</b>		<u>206,208</u>	<u>96,665</u>
Tax on profit	10	(40,873)	(145,468)
<b>Profit/(loss) for the year</b>		<u>165,335</u>	<u>(48,803)</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u><u>165,335</u></u>	<u><u>(48,803)</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 17 form part of these financial statements.

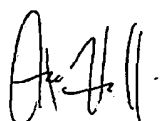
## Statement of Financial Position

As at 30 June 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	11		13,081		20,430
			<u>13,081</u>		<u>20,430</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	12	168,068		122,131	
Cash at bank and in hand	13	467,114		1,096,806	
		<u>635,182</u>		<u>1,218,937</u>	
Creditors: amounts falling due within one year	14	(138,206)		(94,645)	
<b>Net current assets</b>			<u>496,976</u>		<u>1,124,292</u>
<b>Total assets less current liabilities</b>			<u>510,057</u>		<u>1,144,722</u>
<b>Provisions for liabilities</b>					
Deferred taxation	16	(3,736)		(3,736)	
			<u>(3,736)</u>		<u>(3,736)</u>
<b>Net assets</b>			<u>506,321</u>		<u>1,140,986</u>
<b>Capital and reserves</b>					
Called up share capital	17		1		1
Profit and loss account	18		506,320		1,140,985
<b>Shareholders' funds</b>			<u>506,321</u>		<u>1,140,986</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
20 October 2016.



P J M Hall  
Director

The notes on pages 8 to 17 form part of these financial statements.

Hunter Hall International (UK) Limited

## Statement of Changes in Equity

For the year ended 30 June 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	1	1,140,985	1,140,986
<b>Comprehensive income for the year</b>			
Profit for the year	-	165,335	165,335
<b>Total comprehensive income for the year</b>	-	165,335	165,335
Dividends: Equity capital	-	(800,000)	(800,000)
<b>At 30 June 2016</b>	<b>1</b>	<b>506,320</b>	<b>506,321</b>

## Statement of Changes in Equity

For the year ended 30 June 2015

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2014	1	593,840	957,092	1,550,933
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(48,803)	(48,803)
<b>Total comprehensive income for the year</b>	-	-	(48,803)	(48,803)
Dividends: Equity capital	-	-	(361,144)	(361,144)
<b>At 30 June 2015</b>	<b>1</b>	<b>-</b>	<b>1,140,985</b>	<b>1,140,986</b>

The notes on pages 8 to 17 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 30 June 2016

## 1. General information

Hunter Hall International Limited is a private limited company, limited by shares and is incorporated in England. The registered office is Level 4, 53 Frith Street, London, W1D 4SN.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given below and in note 24.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

### 2.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of value added tax. Turnover is recognised over the period the service is rendered.

### 2.4 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:

Office equipment - 5% - 40%

## Notes to the Financial Statements

For the year ended 30 June 2016

### 2. Accounting policies (continued)

#### 2.5 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### 2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.7 Share based payments

The company's ultimate parent company, Hunter Hall International Limited, has two distinct share option schemes, the Employee Share Option Plan and the PM Share Plan. As details of these plans are included within the consolidated accounts of the ultimate parent, the company has taken advantage of the disclosure exemptions from paragraph 45(b) and 46-52 of IFRS 2 share based payments.

## Notes to the Financial Statements

For the year ended 30 June 2016

### 2. Accounting policies (continued)

#### 2.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### 2.9 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.

#### 2.10 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.

#### 2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### 2.13 Interest income

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

## Notes to the Financial Statements

For the year ended 30 June 2016

### 2. Accounting policies (continued)

#### 2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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

There are no material judgments or estimates in preparation of these financial statements.

### 4. Turnover

All turnover is attributable to business activities arising from inside of the United Kingdom. Revenue arises under a transfer pricing agreement with the company's parent undertaking.

### 5. Other operating income

	2016	2015
	£	£
Other operating income	357	22,905

Other operating income relates to rental income from short term sub letting of premises during the year.

### 6. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	8,274	8,857
Auditor's remuneration	13,500	11,500
Tax compliance services	3,750	3,100
Operating lease rentals	65,372	86,890

# Notes to the Financial Statements

For the year ended 30 June 2016

## 7. Employees

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

	2016	2015
	£	£
Wages and salaries	323,779	669,151
Social security costs	67,253	58,292
	<u>391,032</u>	<u>727,443</u>

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

	2016	2015
	No.	No.
Number of administrative staff	1	1
Number of management staff	2	2
	<u>3</u>	<u>3</u>

## 8. Directors' remuneration

	2016	2015
	£	£
Remuneration	-	213,750

The highest paid director received remuneration of £348,760 (2015 -£151,250).

## 9. Interest receivable

	2016	2015
	£	£
Other interest receivable	<u>879</u>	<u>1,090</u>

## Notes to the Financial Statements

For the year ended 30 June 2016

### 10. Taxation

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	40,873	22,203
Adjustments in respect of previous periods	-	1,546
<b>Total current tax</b>	<b>40,873</b>	<b>23,749</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	121,719
<b>Total deferred tax</b>	<b>-</b>	<b>121,719</b>
<b>Taxation on profit on ordinary activities</b>	<b>40,873</b>	<b>145,468</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 -higher than) the standard rate of corporation tax in the UK of 20.75% (2015 -20.75%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	206,208	96,665
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2015 -20.75%)	42,788	20,058
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	783
Capital allowances for year in excess of depreciation	-	1,362
Adjustments to tax charge in respect of prior periods	-	1,546
Other differences leading to an increase (decrease) in the tax charge	(1,915)	-
Deferred taxation	-	121,719
<b>Total tax charge for the year</b>	<b>40,873</b>	<b>145,468</b>

# Notes to the Financial Statements

For the year ended 30 June 2016

## 11. Tangible fixed assets

	Office equipment £
<b>Cost</b>	
At 1 July 2015	77,752
Additions	925
At 30 June 2016	<u>78,677</u>
<b>Depreciation</b>	
At 1 July 2015	57,322
Charge for period on owned assets	8,274
At 30 June 2016	<u>65,596</u>
<b>Net book value</b>	
At 30 June 2016	<u>13,081</u>
At 30 June 2015	<u>20,430</u>

## 12. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	145,173	96,675
Other debtors	4,989	5,666
Prepayments and accrued income	17,906	19,790
	<u>168,068</u>	<u>122,131</u>

## 13. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>467,114</u>	<u>1,096,806</u>

# Notes to the Financial Statements

For the year ended 30 June 2016

## 14. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	-	6
Corporation tax	42,031	23,366
Other taxation and social security	18,151	15,773
Accruals and deferred income	78,024	55,500
	<u>138,206</u>	<u>94,645</u>

## 15. Financial instruments

	2016	2015
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	467,114	1,096,806
Financial assets that are debt instruments measured at amortised cost	150,282	102,462
	<u>617,396</u>	<u>1,199,268</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(78,024)	(55,506)
	<u>(78,024)</u>	<u>(55,506)</u>

## 16. Deferred taxation

	2016
	£
At beginning of year	(3,736)
Charged to the profit or loss	-
<b>At end of year</b>	<u>(3,736)</u>
The provision for deferred taxation is made up as follows:	
	2016
	£
Capital allowances in excess of depreciation	(3,736)
	<u>(3,736)</u>

## Notes to the Financial Statements

For the year ended 30 June 2016

### 17. Share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

### 18. Reserves

#### Profit & loss account

Includes all current and prior period retained profit and losses.

### 19. Dividends

	2016 £	2015 £
Dividends on equity capital	<u>800,000</u>	<u>361,144</u>

### 20. Operating lease commitments

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Within 1 year	50,000	50,000
Between 2 and 5 years	95,833	95,833
	<u>145,833</u>	<u>145,833</u>

### 21. Related party transactions

As a wholly owned subsidiary of Hunter Hall International Limited, the company is exempt from the requirements of FRS 101 para 8(i)(k) to disclose transactions with other members of the group headed by Hunter Hall International Limited on the grounds that accounts are publicly available from the parent company.

### 22. Ultimate parent company

Hunter Hall International Limited, incorporated in Australia, is the ultimate parent company.

Hunter Hall International (UK) Limited

## Notes to the Financial Statements

For the year ended 30 June 2016

### **23. First time adoption of FRS 101**

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.