Registration number: 07078765

Hottinger Private Office Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2021

Hottinger Private Office Limited

Contents

Hottinger Private Office Limited

Company Information

Directors	M J Robertson T N Sharp
Registered office	4 Carlton Gardens London SW1Y 5AA
Bankers	Natwest 25 High Street Colchester Essex CO1 1DG
Auditors	Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS

Hottinger Private Office Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Fair review of the business

Despite continued pandemic disruption creating a more flexible working environment, the business has grown robustly with assets under management (AuM) in HIM and assets under advice (AuA) in HFO increasing as the Group's core proposition continued to build on a successful 2020. The Company has a total of £626m AuA/AuM as at 31 December 2021. The Group has been very resilient throughout the COVID-19 pandemic and client attrition has been very low throughout all service lines. HottCo launched a key new service during the year providing outsourced CIO services to families and single-family offices in the £100m bracket that has seen keen interest and may prove to be a significant contributor to HFO revenues going forward. Further significant new mandates and a strong pipeline of new business continues to offer a robust outlook for the Group. After much hard work and diligence by the Group Exec HIM announced the agreement to acquire the existing assets of Edmond de Rothschild Private Merchant Banking LLP, and in a connected transaction EdR have acquired a 42.5% ownership stake in Hottinger Group. These agreements were conditional on the approval of the UK Financial Conduct Authority, which was granted in June 2022. These agreements underline that the pipeline for the group is very strong for 2022 as the Group looks to expand its service offering and client base in 2022. The result for the year is impacted by exceptional costs connected with the EdR transaction.

Service Offering

In 2021 the Group continued to build new discretionary assets in a sustainable manner, with new opportunities presenting themselves globally as the Hottinger Group extends its services to new regions and a number of new opportunities have come to fruition.

Business conduct

The Group has continued to maintain excellent service levels to all clients, ensuring the team operate with integrity and probity, to never conduct business that disadvantages our clients and to place sustainability at the core of investment decisions. In addition, all staff undertook updated online courses related to conduct and integrity as part of the annual undertakings under SMCR.

Staffing

The growth of the team and the development of younger team members has added enlivened debate and fresh ideas. The Group has developed a creative and collaborative environment, which encourages proactive discussions. The pandemic created a moment of reflection for some staff and a number of staff members decided to follow different career paths, further education, or retirement, but the business has hired successfully and remains in a strong position. The Group is keen to develop the young team and acknowledges excellence and achievement. All associate and senior associate team members are actively undertaking additional qualifications as part of their personal development in place for 2021.

Technology

2021 saw the continuation of the implementation of the Expersoft CRM system as the critical hub of the group, providing consolidated reporting, which the directors see as a key service offering for maintaining and building client relationships. HIM has also added portfolio risk analysis and optimization through the bolt-on package provided to Expersoft by Edgelabs that will significantly enhanced the group's analytical capabilities. The Group is now completely cloud based using Microsoft Azure, Egnyte file structure and a Microsoft Teams based telephone system that will provide the platform for more agile working in 2022 and beyond.

Hottinger Private Office Limited

Strategic Report for the Year Ended 31 December 2021

COVID 19
2021 has been a challenging year dealing with staffing issues in a remote capacity and accommodating the changing needs of the staff and the company. Income in 2021 was affected by the volatility in the market, and the expectations of economies reopening amid further waves of the virus. The team continued with a strategy to minimise losses during the period of uncertainty and ensure the portfolios were prepared for the subsequent market recovery during the second half of the year. 2022 will continue to be challenging as further waves of the pandemic continue to interfere with staffing, and the hopes of a full re-opening on the global economy.
System enhancements to the efficiency of the wealth management capability will continue to the benefit all clients as well as reduce the administrative strain on the group. The challenges of running the business remotely have been well met and are a tribute to the collaborative forward planning of all staff members as well as a single purpose in providing high quality service. We have been mindful of the situation in which our clients find themselves particularly the more senior and have maintained an open dialogue in order to satisfy the needs in each case. We believe communication and collaboration remain the platform for providing a high quality, bespoke financial service to our clients. The challenges to managing the interests of staff members has been well met; maintaining a clear and transparent working environment ensures that their health and wellbeing remains imperative.

Section 172 statement

The directors have complied with their duty under s172 CA2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. The manner in which they have had regard to the matters set out in s172(1)(a) to (f) are set out in the business review above.

Principal risks and uncertainties

The principle risks are:
- Fall in the markets could result in a reduction in the value of funds under management and advice
- Affect of Covid-19 on markets and trading
- Any failures in operating controls could lead to reputational damage, withdrawal of funds, compensation, penalties and potentially the company's authorisation to carry on regulated activities being revoked.

Approved by the Board on 29 September 2022 and signed on its behalf by:

....
T N Sharp
Director

Hottinger Private Office Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors of the group

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

M J Robertson

T N Sharp (appointed 24 May 2021)

Financial instruments

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

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

Price risk
Price risk arises on financial instruments because of change in, for example, commodity prices or equity prices. The group does not currently have any direct risk of price exposure.
Liquidity risk
The group manages its cash to maximise interest income whilst maintaining sufficient liquid resources to meet the operating needs of its business.
Credit risk
Investments of cash surpluses are made through reputable banks with suitably high credit ratings. Receivables are monitored on an ongoing basis and provision is made for doubtful debts where necessary.
Foreign currency risk
The principal foreign currency exposure arises from revenues in foreign currencies.

Directors' liabilities

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

Disclosure of information to the auditor

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

Approved by the Board on 29 September 2022 and signed on its behalf by:

....
T N Sharp
Director

Hottinger Private Office Limited

Statement of Directors' Responsibilities

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

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

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

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

Hottinger Private Office Limited

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

Opinion

We have audited the financial statements of Hottinger Private Office Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company by considering, amongst other things, the industry in which it operates, and considered the risk of acts by the company and the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, UK Company Law, UK tax legislation, FCA Regulations.
Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management, consideration of the firm's FCA scope of permission,
As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.
There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.
We did not identify any key audit matters relating to irregularities, including fraud.

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

Use of our report

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

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Steven Wakefield (Senior Statutory Auditor)

For and on behalf of Dixon Wilson Audit Services LLP, Statutory Auditor

22 Chancery Lane

London

WC2A 1LS

29 September 2022

Hottinger Private Office Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2021

	Note	Total 2021 £	Total 2020 £
Turnover	3	2,999,938	2,454,796
Administrative expenses		(3,083,205)	(2,288,063)
Other operating income		38,125	62,481
Operating (loss)/profit	5	(45,142)	229,214
Other interest receivable and similar income		-	15
Interest payable and similar expenses		(534)	(120)
(Loss)/profit before tax		(45,676)	229,109
Taxation	9	(37,234)	(51,814)
(Loss)/profit for the financial year and total comprehensive income		(82,910)	177,295
Attributable to:			
Owners of the company		(90,385)	160,919
Minority interests		7,475	16,376
		(82,910)	177,295

The above results were derived from continuing operations.

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

Hottinger Private Office Limited

(Registration number: 07078765)
Consolidated Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	10	352,837	423,357
Tangible assets	11	15,758	8,088
		368,595	431,445
Current assets			
Debtors	13	3,186,833	2,666,809
Cash at bank and in hand	14	292,842	196,757
		3,479,675	2,863,566
Creditors: Amounts falling due within one year	15	(1,554,463)	(919,958)
Net current assets		1,925,212	1,943,608
Total assets less current liabilities		2,293,807	2,375,053
Provisions for liabilities		(1,664)	-
Net assets		2,292,143	2,375,053
Capital and reserves			
Called up share capital		1,000	1,000
Other capital contributions	16	1,478,400	1,478,400
Profit and loss account		693,764	784,149
Equity attributable to owners of the company		2,173,164	2,263,549
Minority interests		118,979	111,504
Total equity		2,292,143	2,375,053

Approved and authorised by the Board on 29 September 2022 and signed on its behalf by:

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T N Sharp
Director

The notes on pages 15 to 25 form an integral part of these financial statements.

Hottinger Private Office Limited

(Registration number: 07078765)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	-	1,768
Investments	12	3,803,946	3,803,946
		3,803,946	3,805,714
Current assets			
Debtors	13	1,760,299	1,589,709
Cash at bank and in hand	14	155,000	87,702
		1,915,299	1,677,411
Creditors: Amounts falling due within one year	15	(1,565,064)	(1,216,714)
Net current assets		350,235	460,697
Net assets		4,154,181	4,266,411
Capital and reserves			
Called up share capital		1,000	1,000
Other capital contributions	16	1,478,400	1,478,400
Profit and loss account		2,674,781	2,787,011
Total equity		4,154,181	4,266,411

The company made a loss after tax for the financial year of £112,230 (2020 - profit of £2,070,225).

Approved and authorised by the Board on 29 September 2022 and signed on its behalf by:

....

T N Sharp
Director

Hottinger Private Office Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2021
Equity attributable to the parent company

	Share capital £	Other capital contributions £	Profit and loss account £	Total £	Non- controlling interests £
At 1 January 2021	1,000	1,478,400	784,149	2,263,549	111,504
(Loss)/profit for the year	-	-	(90,385)	(90,385)	7,475
Total comprehensive income	-	-	(90,385)	(90,385)	7,475
At 31 December 2021	1,000	1,478,400	693,764	2,173,164	118,979

	Share capital £	Other capital contributions £	Profit and loss account £	Total £	Non- controlling interests £
At 1 January 2020	1,000	1,478,400	518,949	1,998,349	199,409
Profit for the year	-	-	160,919	160,919	16,376
Total comprehensive income	-	-	160,919	160,919	16,376
Increase in ownership interests in subsidiaries	-	-	104,281	104,281	(104,281)
At 31 December 2020	1,000	1,478,400	784,149	2,263,549	111,504

The notes on pages 15 to 25 form an integral part of these financial statements.

Hottinger Private Office Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Other capital contributions £	Profit and loss account £	Total £
At 1 January 2021	1,000	1,478,400	2,787,011	4,266,411
Loss for the year	-	-	(112,230)	(112,230)
Total comprehensive income	-	-	(112,230)	(112,230)
At 31 December 2021	1,000	1,478,400	2,674,781	4,154,181

	Share capital £	Other capital contributions £	Profit and loss account £	Total £
At 1 January 2020	1,000	1,478,400	716,786	2,196,186
Profit for the year	-	-	2,070,225	2,070,225
Total comprehensive income	-	-	2,070,225	2,070,225
At 31 December 2020	1,000	1,478,400	2,787,011	4,266,411

The notes on pages 15 to 25 form an integral part of these financial statements.

Hottinger Private Office Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
(Loss)/profit for the year		(82,910)	177,295
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	81,032	77,167
Finance income		-	(15)
Finance costs		534	120
Corporation tax expense	9	37,234	51,814
		35,890	306,381
Working capital adjustments			
Increase in trade debtors	13	(531,993)	(48,079)
Increase/(decrease) in trade creditors	15	629,398	(244,785)
Cash generated from operations		133,295	13,517
Corporation tax paid	9	(18,492)	(60,000)
Net cash flow from operating activities		114,803	(46,483)
Cash flows from investing activities			
Interest received		-	15
Acquisitions of tangible assets	11	(18,184)	(7,115)
Net cash flows from investing activities		(18,184)	(7,100)
Cash flows from financing activities			
Interest paid		(534)	(120)
Net increase/(decrease) in cash and cash equivalents		96,085	(53,703)
Cash and cash equivalents at 1 January	14	196,757	250,460
Cash and cash equivalents at 31 December	14	292,842	196,757

1 General information

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

The address of its registered office is:
4 Carlton Gardens
London
SW1Y 5AA
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

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

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2021.
No income statement is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £112,230 (2020 - profit of £2,070,225).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.
Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.
Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

2 Accounting policies (continued)

Revenue recognition

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.
Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.
The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

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

Depreciation

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

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

2 Accounting policies (continued)

Goodwill

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

Amortisation

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

Asset class	Amortisation method and rate
Goodwill on investment in Hottinger & Co Limited	10% per annum

Investments

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

Debtors

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

Creditors

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

Borrowings

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

Leases

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

Share capital

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

3 Turnover

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

	2021 £	2020 £
Rendering of services - investment management, brokerage and related advisory and support services	2,999,938	2,454,796

4 Exceptional expenses

Included within administrative expenses for 2021 is £231,949 of professional fees on a group restructuring and an agreement to acquire client relationships.

5 Operating loss

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	10,512	6,647
Amortisation expense	70,520	70,520
Foreign exchange gains	(7,217)	(18,075)

6 Staff costs

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

	2021 £	2020 £
Wages and salaries	1,066,362	1,091,607
Social security costs	128,127	135,148
Other short-term employee benefits	17,711	21,915
Pension costs, defined contribution scheme	36,383	31,219
Other employee expense	6,973	5,263
	1,255,556	1,285,152

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

	2021 No.	2020 No.
Administration and support	5	4
Operations	6	7
Management	3	3
	14	14

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	359,321	216,436
Contributions paid to money purchase schemes	15,000	-
	374,321	216,436

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	181,687	154,519

8 Auditors' remuneration

	2021	2020
	£	£
Audit of these financial statements	4,150	7,150
Audit of the financial statements of subsidiaries of the company pursuant to legislation	12,000	10,000
	16,150	17,150

Other fees to associates of auditor		
Taxation compliance services	3,000	4,000
All other non-audit services	3,150	4,000
	6,150	8,000

Hottinger Private Office Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Taxation

Tax charged in the Profit and Loss Account

	2021 £	2020 £
Current taxation		
UK corporation tax	9,517	18,491
Deferred taxation		
Arising from origination and reversal of timing differences	27,717	40,308
Arising from changes in tax rates and laws	-	(6,985)
Total deferred taxation	27,717	33,323
Tax expense in the Profit and Loss Account	37,234	51,814

Reconciliation of tax charge to profit before tax multiplied by the standard rate of corporation tax for the period of 19% (2020 - 19 %).

	2021 £	2020 £
(Loss)/profit before tax	(45,676)	229,109
Corporation tax at standard rate	(8,678)	43,531
Effect of expense not deductible in determining taxable profit	46,699	15,268
UK deferred tax credit relating to changes in tax rates or laws	-	(6,985)
Tax decrease from effect of capital allowances and depreciation	(787)	-
Total tax charge	37,234	51,814

Deferred tax assets and liabilities - Group

2021	**£**
Accelerated tax depreciation	(1,664)
Tax losses	-
	(1,664)

2020	**£**
Accelerated tax depreciation	422
Tax losses	25,632
	26,054

10 Intangible assets

Group

	Goodwill £	Total £
Cost		
At 1 January 2021	706,389	706,389
At 31 December 2021	706,389	706,389
Amortisation		
At 1 January 2021	283,032	283,032
Amortisation charge	70,520	70,520
At 31 December 2021	353,552	353,552
Carrying amount		
At 31 December 2021	352,837	352,837
At 31 December 2020	423,357	423,357

11 Tangible assets

Group

	Furniture, fittings and equipment £	Total £
Cost		
At 1 January 2021	46,630	46,630
Additions	18,184	18,184
Disposals	(14,409)	(14,409)
At 31 December 2021	50,405	50,405
Depreciation		
At 1 January 2021	38,542	38,542
Charge for the year	10,514	10,514
Eliminated on disposal	(14,409)	(14,409)
At 31 December 2021	34,647	34,647
Carrying amount		
At 31 December 2021	15,758	15,758
At 31 December 2020	8,088	8,088

Company

	Furniture, fittings and equipment £	Total £
Cost		
At 1 January 2021	14,409	14,409
Disposals	(14,409)	(14,409)
At 31 December 2021	-	-
Depreciation		
At 1 January 2021	12,641	12,641
Charge for the year	1,768	1,768
Eliminated on disposal	(14,409)	(14,409)
At 31 December 2021	-	-
Carrying amount		
At 31 December 2021	-	-
At 31 December 2020	1,768	1,768

12 Investments

Company

Subsidiaries	**£**
Cost	
At 1 January 2021 and 31 December 2021	3,803,946
Carrying amount	
At 31 December 2021	3,803,946
At 31 December 2020	3,803,946

During 2020 the company transferred its principal trading activities to its subsidiary in consideration for the issue of 1,980,000 £1 Ordinary shares, with an estimated fair value of £1,980,000.

Details of subsidiary undertakings

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2021	2020
Hottinger & Co. Limited	4 Carlton Gardens, London, SW1Y 5AA	Ordinary	92.5%	92.5%

The principal activity of Hottinger & Co. Limited is investment management.

13 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	512,207	334,766	192,815	133,085
Amounts owed by related parties	1,819,011	1,535,977	1,387,025	1,231,887
Other debtors	20,581	86	12,006	-
Prepayments	158,030	80,687	-	5,917
Accrued income	662,921	689,239	154,370	218,820
Deferred tax assets	-	26,054	-	-
Income tax asset	14,083	-	14,083	-
Total current trade and other debtors	3,186,833	2,666,809	1,760,299	1,589,709

14 Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash on hand	106	106	106	106
Cash at bank	292,736	196,651	154,894	87,596
	292,842	196,757	155,000	87,702

15 Creditors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade creditors	633,628	40,428	25,703	422
Amounts due to related parties	616,608	580,709	1,395,619	1,046,663
Social security and other taxes	55,505	79,205	28,295	24,363
Other payables	6,809	4,442	3,797	3,460
Accrued expenses	218,605	196,974	111,650	123,606
Corporation tax liability	23,308	18,200	-	18,200
	1,554,463	919,958	1,565,064	1,216,714

16 Reserves

Other capital contributions

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

17 Obligations under leases

Group

Operating leases - lessee

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	141,000	-
Later than one year and not later than five years	522,706	-
	663,706	-

18 Related party transactions

Key management personnel

Key management are the directors. Compensation is disclosed in note 7.

Summary of other related party transactions

Transactions with related parties include various expenses shared among entities under common control, including staff, office, IT and marketing expenses.
In addition loans have been made to / received from entities under the common control of the parent, Archco Limited, and a shareholder in Archco Limited. Loans are interest free, unsecured, and payable on demand.

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Parent entity				
Amounts receivable at end of period	229,905	84,508	207,416	81,211
Entities under common control				
Amounts receivable at end of period	1,584,041	1,297,452	1,378,696	1,199,821
Amounts payable at end of period	(552,447)	(1,329,618)	(627,211)	(1,027,165)
	1,031,594	(32,166)	751,485	172,656
Other related parties				
Amounts payable at end of period	(66,000)	(66,000)	(66,000)	(66,000)

19 Control, commitments and non-adjusting post-balance sheet events

The company's immediate and ultimate parent during the period was ArchCo Limited, incorporated in Malta.

In late 2021, a group restructure and buy in was agreed, contingent on approval by the Financial Conduct Authority, which was granted in June 2022. Under the restructuring, from June 2022 ArchCo ceased to be the company's parent, which instead became Hottinger Group Limited, incorporated in England & Wales.
As part of the same transaction, the company contingently agreed to acquire a further 5% of the issued shares in its subsidiary, Hottinger & Co Limited, for €303,915. This completed in June 2022 and increased the company's control of Hottinger & Co from 92.5% to 97.5%. As the transaction remained contingent at the year end, it is not provided for in the financial statements.