

# Hottinger Private Office Limited

Annual Report and Consolidated Financial Statements  
for the Year Ended 31 December 2020

# Hottinger Private Office Limited

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# Hottinger Private Office Limited

## Company Information

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

# **Hottinger Private Office Limited**

## **Strategic Report for the Year Ended 31 December 2020**

The directors present their strategic report for the year ended 31 December 2020.

### **Fair review of the business**

In mid-2020 Hottinger Private Office's trading activities were transferred to Hottinger & Co. Limited as the Hottinger Group executed the decision to bring together its regulatory activities under one regulated entity. Despite the pandemic lockdown, and a move to working fully from home during March, the group's business has grown robustly with assets under management and assets under advice increasing as the Group's core proposition continued to build on a successful 2019. The Group has a total of £557m AuA/AuM as at 31 December 2020 (2019 - £500m). The Group has been very resilient throughout the COVID-19 pandemic and client attrition has been very low throughout all service lines.

#### **Service Offering**

In 2020 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, the group proactively implemented the Senior Manager Certification Regime ("SMCR") recommended processes and procedures in advance of the deadline. All staff undertook updated online courses related to conduct and integrity as part of the annual undertakings under SMCR.

#### **Staffing**

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 lockdown created a moment of reflection for some staff and a couple of younger members decided to follow different career paths, but the business has hired successfully remotely 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 were actively undertaking additional qualifications until lockdown measures curtailed progress, but objectives will remain in place for 2021.

#### **Technology**

2020 was also a time for rationalisation and modernisation. The consolidation and implementation of the Expersoft CRM system continued to be rolled out and remains critical in providing consolidated reporting, which the directors see as a key service offering for maintaining and building client relationships. The lockdown also accelerated the Group's move to establish its services in the cloud using the services of Microsoft Azure, and building a file structure using the Egnyte platform to access data. The group is also seeking to change its telephony provider which will further cement the flexible, cloud-based nature of the business that will provide the platform for more agile working in 2021 and beyond.

## **Hottinger Private Office Limited**

### **Strategic Report for the Year Ended 31 December 2020**

#### **COVID 19**

2020 has been a challenging year moving to the environment of home working and dealing with staffing issues in a remote capacity. Income in 2020 was affected by the volatility in the market, but not as much as initially expected as 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.

2021 will continue to be challenging as the third wave of the pandemic interferes with the roll-out of approved vaccines, potentially delaying the hopes of a full re-opening on the global economy. The directors believe the group is well set to consolidate the existing client base and streamline all client services within a single regulated entity.

The hard work dedicated to creating a robust infrastructure over the last year should see the system enhance the efficiency of the wealth management capability to the benefit of all clients as well as reduce the administrative strain on the company. COVID-19 will unfortunately hamper the pursuit of further qualifications for employees over this year, but we will continue to offer them our full support and guidance. 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 forced changes over the past year have also presented challenges to managing the interests of staff members but 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 10 September 2021 and signed on its behalf by:

.....  
M J Robertson  
Director

# Hottinger Private Office Limited

## Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

### Directors of the group

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

M J Robertson

G W D Heseltine (ceased 17 July 2020)

The following director was appointed after the year end:

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 10 September 2021 and signed on its behalf by:

.....  
M J Robertson  
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 2020, 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 2020 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.

### **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 original 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.



## **Hottinger Private Office Limited**

### **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.

## **Hottinger Private Office Limited**

### **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](http://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.

.....  
Steven Wakefield (Senior Statutory Auditor)

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

22 Chancery Lane

London

WC2A 1LS

15 September 2021

# Hottinger Private Office Limited

## Consolidated Profit and Loss Account for the Year Ended 31 December 2020

	Note	Total 2020 £	Total 2019 £
Turnover	<u>3</u>	2,454,796	3,027,193
Administrative expenses		<u>(2,225,582)</u>	<u>(2,714,104)</u>
Operating profit	<u>4</u>	229,214	313,089
Other interest receivable and similar income		15	-
Interest payable and similar expenses		<u>(120)</u>	<u>(965)</u>
Profit before tax		229,109	312,124
Taxation	<u>8</u>	<u>(51,814)</u>	<u>(79,596)</u>
Profit for the financial year and total comprehensive income		<u>177,295</u>	<u>232,528</u>
<b>Attributable to:</b>			
Owners of the company		160,919	218,830
Minority interests		<u>16,376</u>	<u>13,698</u>
		<u>177,295</u>	<u>232,528</u>

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 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	<u>9</u>	423,357	493,877
Tangible assets	<u>10</u>	<u>8,088</u>	<u>7,620</u>
		<u>431,445</u>	<u>501,497</u>
<b>Current assets</b>			
Debtors	<u>12</u>	2,666,809	2,652,053
Cash at bank and in hand	<u>13</u>	<u>196,757</u>	<u>250,460</u>
		2,863,566	2,902,513
<b>Creditors:</b> Amounts falling due within one year	<u>14</u>	<u>(919,958)</u>	<u>(1,206,252)</u>
<b>Net current assets</b>		<u>1,943,608</u>	<u>1,696,261</u>
<b>Net assets</b>		<u>2,375,053</u>	<u>2,197,758</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Other capital contributions	<u>15</u>	1,478,400	1,478,400
Profit and loss account		<u>784,149</u>	<u>518,949</u>
Equity attributable to owners of the company		2,263,549	1,998,349
Minority interests		<u>111,504</u>	<u>199,409</u>
Total equity		<u>2,375,053</u>	<u>2,197,758</u>

Approved and authorised by the Board on 10 September 2021 and signed on its behalf by:

.....

M J Robertson  
Director

**Hottinger Private Office Limited**  
**(Registration number: 07078765)**  
**Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>10</u>	1,768	745
Investments	<u>11</u>	3,803,946	1,823,946
		<u>3,805,714</u>	<u>1,824,691</u>
<b>Current assets</b>			
Debtors	<u>12</u>	1,589,709	1,994,307
Cash at bank and in hand	<u>13</u>	87,702	97,099
		1,677,411	2,091,406
<b>Creditors:</b> Amounts falling due within one year	<u>14</u>	(1,216,714)	(1,719,911)
<b>Net current assets</b>		<u>460,697</u>	<u>371,495</u>
<b>Net assets</b>		<u>4,266,411</u>	<u>2,196,186</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Other capital contributions	<u>15</u>	1,478,400	1,478,400
Profit and loss account		<u>2,787,011</u>	<u>716,786</u>
Total equity		<u>4,266,411</u>	<u>2,196,186</u>

The company made a profit after tax for the financial year of £2,070,225 (2019 - profit of £225,172).

Approved and authorised by the Board on 10 September 2021 and signed on its behalf by:

.....  
M J Robertson  
Director

# Hottinger Private Office Limited

## Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020 Equity attributable to the parent company

	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
	Share capital £	Other capital contributions £	Profit and loss account £	Total £	Non- controlling interests £
At 1 January 2019	1,000	1,478,400	300,119	1,779,519	250,752
Profit for the year	-	-	218,830	218,830	13,698
Total comprehensive income	-	-	218,830	218,830	13,698
Increase in ownership interests in subsidiaries	-	-	-	-	(65,041)
At 31 December 2019	1,000	1,478,400	518,949	1,998,349	199,409

# Hottinger Private Office Limited

## Statement of Changes in Equity for the Year Ended 31 December 2020

	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

	Share capital £	Other capital contributions £	Profit and loss account £	Total £
At 1 January 2019	1,000	1,478,400	491,614	1,971,014
Profit for the year	-	-	225,172	225,172
Total comprehensive income	-	-	225,172	225,172
At 31 December 2019	1,000	1,478,400	716,786	2,196,186

# Hottinger Private Office Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		177,295	232,528
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	77,167	80,183
Finance income		(15)	-
Finance costs		120	965
Corporation tax expense	<u>8</u>	51,814	79,596
		306,381	393,272
Working capital adjustments			
Increase in trade debtors	<u>12</u>	(48,079)	(781,463)
(Decrease)/increase in trade creditors	<u>14</u>	(244,785)	448,462
Cash generated from operations		13,517	60,271
Income taxes paid	<u>8</u>	(60,000)	(59,933)
Net cash flow from operating activities		(46,483)	338
<b>Cash flows from investing activities</b>			
Interest received		15	-
Acquisitions of tangible assets	<u>10</u>	(7,115)	(2,695)
Acquisition of additional interests in subsidiaries		-	(61,472)
Net cash flows from investing activities		(7,100)	(64,167)
<b>Cash flows from financing activities</b>			
Interest paid		(120)	(965)
Net decrease in cash and cash equivalents		(53,703)	(64,794)
Cash and cash equivalents at 1 January	<u>13</u>	250,460	315,254
Cash and cash equivalents at 31 December	<u>13</u>	196,757	250,460



# **Hottinger Private Office Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **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'.

#### **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 2020.

No income statement is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £2,070,225 (2019 - profit of £225,172).

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.

# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 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

# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 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.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### 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.

# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 2 Accounting policies (continued)

#### 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:

	2020 £	2019 £
Rendering of services - investment management, brokerage and related advisory and support services	2,454,796	3,027,193

### 4 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	6,647	9,663
Amortisation expense	70,520	70,520
Foreign exchange (gains)/losses	(18,075)	52,894

### 5 Staff costs

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

	2020 £	2019 £
Wages and salaries	1,029,126	1,209,036
Social security costs	135,148	140,208
Other short-term employee benefits	21,915	21,563
Pension costs, defined contribution scheme	31,219	45,230
Other employee expense	5,263	11,265
	1,222,671	1,427,302

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

	2020 No.	2019 No.
Administration and support	4	5
Operations	7	7
Management	3	3
	14	15

# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	216,436	272,011
Contributions paid to money purchase schemes	-	10,125
	<u>216,436</u>	<u>282,136</u>

In respect of the highest paid director:

	2020 £	2019 £
Remuneration	<u>154,519</u>	<u>184,279</u>

### 7 Auditors' remuneration

	2020 £	2019 £
Audit of these financial statements	7,150	8,650
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>10,000</u>	<u>10,000</u>
	<u>17,150</u>	<u>18,650</u>

### Other fees to auditors

Taxation compliance services	4,000	2,250
All other non-audit services	<u>4,000</u>	<u>4,520</u>
	<u>8,000</u>	<u>6,770</u>

# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 8 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	18,491	59,709
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	40,308	18,319
Arising from changes in tax rates and laws	(6,985)	1,568
Total deferred taxation	33,323	19,887
Tax expense in the income statement	51,814	79,596

Reconciliation of tax charge to profit before tax multiplied by the standard rate of corporation tax for the period of 19% (2019 - 19 %).

	2020 £	2019 £
Profit before tax	229,109	312,124
Corporation tax at standard rate	43,531	59,304
Effect of expense not deductible in determining taxable profit	15,268	18,323
UK deferred tax (credit)/expense relating to changes in tax rates or laws	(6,985)	1,969
Total tax charge	51,814	79,596

### Deferred tax assets and liabilities - Group

<b>2020</b>	<b>£</b>
Accelerated tax depreciation	422
Tax losses	21,652
Other timing differences	-
	22,074
<b>2019</b>	<b>£</b>
Accelerated tax depreciation	475
Tax losses	55,363
Other timing differences	3,538
	59,376

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £20,000.

# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 8 Taxation (continued)

#### Deferred tax assets and liabilities - Company

2019	£
Accelerated tax depreciation	(127)
Other timing differences	3,538
	<u>3,411</u>

#### Factors that may affect future tax charges

In March 2021 the government announced the main rate of corporation tax would increase from to 25% from 2023. Timing differences are expected to reverse whilst the rate remains 19%.

### 9 Intangible assets

#### Group

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 January 2020	<u>706,389</u>	<u>706,389</u>
At 31 December 2020	<u>706,389</u>	<u>706,389</u>
<b>Amortisation</b>		
At 1 January 2020	212,512	212,512
Amortisation charge	<u>70,520</u>	<u>70,520</u>
At 31 December 2020	<u>283,032</u>	<u>283,032</u>
<b>Carrying amount</b>		
At 31 December 2020	<u>423,357</u>	<u>423,357</u>
At 31 December 2019	<u>493,877</u>	<u>493,877</u>

# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 10 Tangible assets

#### Group

	<b>Furniture, fittings and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 1 January 2020	39,515	39,515
Additions	7,115	7,115
At 31 December 2020	46,630	46,630
<b>Depreciation</b>		
At 1 January 2020	31,895	31,895
Charge for the year	6,647	6,647
At 31 December 2020	38,542	38,542
<b>Carrying amount</b>		
At 31 December 2020	8,088	8,088
At 31 December 2019	7,620	7,620

#### Company

	<b>Furniture, fittings and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 1 January 2020	12,563	12,563
Additions	1,846	1,846
At 31 December 2020	14,409	14,409
<b>Depreciation</b>		
At 1 January 2020	11,818	11,818
Charge for the year	823	823
At 31 December 2020	12,641	12,641
<b>Carrying amount</b>		
At 31 December 2020	1,768	1,768
At 31 December 2019	745	745



# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 11 Investments

#### Company

#### Subsidiaries

£

#### Cost

At 1 January 2020	1,823,946
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Additions	1,980,000
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At 31 December 2020	3,803,946
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#### Carrying amount

At 31 December 2020	3,803,946
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At 31 December 2019	1,823,946
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During the year the company transferred its trading activities to its subsidiary in consideration for the issue of a further 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	
			2020	2019
Hottinger & Co. Limited	4 Carlton Gardens, London, SW1Y 5AA	Ordinary	92.5%	85%
Hottinger Group Services Limited	27 Queen Anne's Gate, London, SW1H, 9BU	Ordinary	0%	100%

The principal activity of Hottinger & Co. Limited is investment management. Hottinger Group Limited was a dormant entity, wholly owned by Hottinger & Co. Limited

# Hottinger Private Office Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 12 Debtors

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade debtors	334,766	200,976	133,085	198,060
Amounts owed by related parties	1,535,977	1,547,991	1,231,887	1,317,579
Other debtors	86	76,826	-	70,962
Prepayments	80,687	47,291	5,917	19,617
Accrued income	689,239	719,592	218,820	384,678
Deferred tax assets	26,054	59,377	-	3,411
Total current trade and other debtors	<u>2,666,809</u>	<u>2,652,053</u>	<u>1,589,709</u>	<u>1,994,307</u>

### 13 Cash and cash equivalents

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Cash on hand	106	1,606	106	1,606
Cash at bank	196,651	248,854	87,596	95,493
	<u>196,757</u>	<u>250,460</u>	<u>87,702</u>	<u>97,099</u>

### 14 Creditors

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Due within one year</b>				
Loans and borrowings	216,000	216,000	216,000	216,000
Trade creditors	40,428	77,103	422	7,695
Amounts due to related parties	364,709	541,529	830,663	1,209,189
Social security and other taxes	79,205	51,039	24,363	35,193
Other payables	4,442	78,960	3,460	78,214
Accrued expenses	196,974	177,819	123,606	109,818
Corporation tax liability	18,200	59,709	18,200	59,709
Deferred income	-	4,093	-	4,093
	<u>919,958</u>	<u>1,206,252</u>	<u>1,216,714</u>	<u>1,719,911</u>

### 15 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.

## Hottinger Private Office Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 16 Related party transactions

##### Key management personnel

Key management are the directors.

##### Summary of other related party transactions

Transactions with related parties include various expenses shared and recharged 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 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
<b>Parent entity</b>				
Amounts receivable at end of period	157,280	32,065	150,984	55,984
<b>Other entities under common control</b>				
<b>Transactions in period</b>				
Net expenses recharged	264,186	432,676	275,292	139,331
Bad debt written off in period	1,170	1,170	-	-
Loans advanced	258,802	179,283	297,407	367,408
Loans repayments received	-	52,045	129,299	73,299
Loans received	157,066	230,403	73,458	230,791
<b>Balances at end of period</b>				
Amounts receivable at end of period	1,378,696	1,199,821	1,397,013	1,261,602
Amounts payable at end of period	(576,926)	(976,880)	(688,368)	(1,356,029)
	801,770	222,941	708,645	(94,427)
<b>Other related parties</b>				
Amounts payable at end of period	(66,000)	(66,000)	(66,000)	(66,000)

#### 17 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is ArchCo Limited, incorporated in Malta.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.