

**HUTTON COLLINS  
PARTNERS LLP**

**Annual Report and Consolidated Financial Statements**

**For the year ended 31 March 2019**

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**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

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**DESIGNATED MEMBERS AND ADVISERS**

**DESIGNATED MEMBERS**

Graham Hutton  
Matthew Collins  
Hutton Collins & Company Limited

**REGISTERED OFFICE**

30-35 Pall Mall  
London  
England  
SW1Y 4JH

**BANKERS**

Lloyds Banking Group  
25 Gresham Street  
London  
EC2V 7HN

**STATUTORY AUDITOR**

Deloitte LLP  
PO Box 403  
Gaspé House  
66-72 Esplanade  
St Helier  
Jersey  
JE4 8WA

**ADMINISTRATOR**

Mainspring Fund Services Ltd  
20-22 Bedford Row  
London  
WC1R 4EB

## **MEMBERS' REPORT**

The members present their report and the audited consolidated financial statements of Hutton Collins Partners LLP (the "LLP") and its subsidiaries (together the "group") for the year ended 31 March 2019. On 21 December 2006 the LLP was registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000, and whose registered number is OC325019.

## **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The LLP is a partnership whose principal activity is to act as an investment manager for discretionary mezzanine and preferred capital investment funds, (the "Funds") managing equity and debt investments in unlisted companies, on behalf of institutional investors. The LLP is regulated by the Financial Conduct Authority ("FCA"). There have not been any significant changes in the partnership's principal activities during the year. The members advise the Funds will be wound up before the end of the next financial year.

The consolidated balance sheet on page 9 shows the group's financial position at the year end. The reduction of transaction fees and fund management fees means that the group and the partnership profits have reduced in the year. The value of the remaining assets in the Funds is £6.5m, with the remaining assets due to be sold and the funds intending to be wound up within the year. Because of this, these accounts have been prepared on a basis other than that of going concern.

The LLP's members believe that further key performance indicators for the group are not necessary or appropriate for an understanding of its development, performance or position.

## **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The group's activities expose it to a number of financial risks including cash flow risk and credit risk. The use of financial derivatives is governed by policies approved by the management committee and derivative financial instruments are not used for speculative purposes.

### *Foreign currency risk*

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group uses foreign exchange forward contracts to hedge these exposures if significant. In particular euro management fee income is sold for sterling to ensure that the partnership can meet its sterling liabilities.

### *Credit risk*

The group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables if any. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk in relation to fund management fees is significantly mitigated because the counterparties are global institutions with established records of investing in private equity and have substantial funds under management.

The group has no significant concentration of credit risk, with exposure spread over a wide number of counterparties and customers.

## **GOING CONCERN**

The members have advised that the group's source of income in the form of management fees from the Funds is coming to an end. The Funds are due to be wound up with the remaining assets sold within the year. The management fees are payable to the 11th May 19. Accordingly, the members have adopted an other than going concern basis in preparing the LLP's and Group's annual financial statement.

**MEMBERS' REPORT (continued)**

**ENVIRONMENT**

The LLP recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The LLP operates within the group's Social Responsibility statement. Initiatives designed to minimise the LLP's impact on the environment include recycling and reducing energy consumption.

**RESULTS FOR THE YEAR**

The results for the group for the year are set out on page 8.

**POST BALANCE SHEET EVENTS**

There were no post balance sheet events to note.

**MEMBERS**

The designated members (as defined in the Limited Liability Partnership Act 2000) of the LLP throughout the year are listed below:

Graham Hutton  
Matthew Collins  
Hutton Collins & Company Limited

**MEMBERS' DRAWINGS AND THE SUBSCRIPTION AND REPAYMENT OF MEMBERS' CAPITAL**

Managing members draw a proportion of their profit share in monthly instalments during the year in which the profit is made. The balance of profits for all members is usually paid in the subsequent year, subject to the cash requirements of the business.

In accordance with the terms of the LLP agreement, no member shall be entitled at any time to withdraw or shall be repaid their capital contribution unless, a new or existing member contributes an amount in aggregate which shall ensure that the partnership can satisfy the relevant FCA minimum regulatory capital requirement; unless the LLP is wound up or placed into liquidation, or unless the LLP ceases to be authorised by the FCA.

**BREXIT**

The members do not expect Brexit to have any impact on the Partnership or group operations.

**MEMBERS' REPORT (continued)**

**AUDITOR**

The LLP has elected to dispense with the obligation to appoint an auditor annually and, accordingly, Deloitte LLP shall be deemed to continue as auditor.

Each of the persons who is a member at the date of approval of this report confirms that:

1. so far as the member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
2. the member has taken all the steps that he/it ought to have taken as a member in order to make himself/itself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the members  
and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'G Hutton', with a stylized flourish at the end.

Graham Hutton  
Designated Member  
24<sup>th</sup> July 2019

## **STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 firm will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Board on behalf of the members.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUTTON COLLINS PARTNERS LLP**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Hutton Collins Partners LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated balance sheet;
- the partnership balance sheet;
- the reconciliation of members' interests;
- the consolidated cash flow statement; and
- the related notes 1 to 16.

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).

#### **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 and of the parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

#### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to Note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The members 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 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 respect of these matters.

#### **Responsibilities of members**

As explained more fully in the members' responsibilities statement, the members 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUTTON COLLINS PARTNERS LLP

In preparing the financial statements, the members are responsible for assessing the group's and the parent limited liability partnership'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 members either intend to liquidate the group or the parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

### 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006 as applied to limited liability partnerships

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

- the information given in member's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the members' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent limited liability partnership and their environment obtained in the course of the audit, we have not identified any material misstatements in the members' report.

#### Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Theo Brennand (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Jersey, UK  
24th July 2019

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2019**

	Notes	31 March 2019 £	31 March 2018 £
<b>TURNOVER</b>	2	791,469	3,098,040
Administrative expenses		(573,794)	(515,568)
<b>OPERATING PROFIT</b>	5	217,675	2,582,472
Interest receivable	6	827	1,376
<b>PROFIT BEFORE TAXATION</b>		218,502	2,583,848
Tax on profit	7	-	-
<b>PROFIT FOR THE YEAR</b>		218,502	2,583,848

All activities derive from continuing operations.

The group had no recognised gains or losses other than those included in the statement of comprehensive income above. Accordingly, no separate statement of other comprehensive income for the group has been presented.

The notes on pages 13 to 20 form an integral part of these financial statements.

**CONSOLIDATED BALANCE SHEET**  
As at 31 March 2019

	Notes	31 March 2019 £	31 March 2018 £
<b>FIXED ASSETS</b>			
Tangible assets	8	-	741
		-	741
<b>CURRENT ASSETS</b>			
Debtors	10	212,657	439,359
Cash at bank		163,579	1,220,455
		376,236	1,659,814
<b>CREDITORS: amounts falling due within one year</b>	11	(263,273)	(216,496)
<b>NET CURRENT ASSETS</b>		112,963	1,443,318
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		112,963	1,444,059
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		112,963	1,444,059
<b>REPRESENTED BY:</b>			
Members' other interests			
Members' Capital classified as equity		30,613	30,613
Members' Interests: other reserves		82,350	1,413,446
<b>TOTAL INTERESTS ATTRIBUTABLE TO MEMBERS</b>		112,963	1,444,059

The notes on pages 13 to 20 form an integral part of these financial statements.

These financial statements of Hutton Collins Partners LLP, registration number OC325019, were approved by the Members and authorised for issue on 24<sup>th</sup> July 2019.

Signed on behalf of the Members by:



Graham Hutton  
Designated Member

# HUTTON COLLINS PARTNERS LLP

## PARTNERSHIP BALANCE SHEET As at 31 March 2019

	Notes	31 March 2019 £	31 March 2018 £
<b>FIXED ASSETS</b>			
Tangible assets	8	-	741
Investments	9	3	3
		<u>3</u>	<u>744</u>
<b>CURRENT ASSETS</b>			
Debtors	10	210,448	418,702
Cash at bank		161,391	1,215,946
		<u>371,839</u>	<u>1,634,648</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(261,267)</u>	<u>(220,455)</u>
<b>NET CURRENT ASSETS</b>		<u>110,572</u>	<u>1,414,193</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>110,575</u>	<u>1,414,937</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>110,575</u>	<u>1,414,937</u>
<b>REPRESENTED BY:</b>			
Members' other interests			
Members' Capital classified as equity		30,613	30,613
Members' Interests: other reserves		79,962	1,384,324
		<u>110,575</u>	<u>1,414,937</u>
<b>TOTAL INTERESTS ATTRIBUTABLE TO MEMBERS</b>		<u>110,575</u>	<u>1,414,937</u>

The profit for the financial year attributable to the LLP is £245,236 (2018: £2,591,116). In accordance with the LLP regulations 2001, Hutton Collins Partners LP is exempt from the requirement to present its own statement of comprehensive income.

The notes on pages 13 to 20 form an integral part of these financial statements.

These financial statements of Hutton Collins Partners LLP, registration number OC325019, were approved by the Members and authorised for issue on 24<sup>th</sup> July 2019.

Signed on behalf of the Members by:



Graham Hutton  
Designated Member

## HUTTON COLLINS PARTNERS LLP

### RECONCILIATION OF MEMBERS' INTERESTS For the year ended 31 March 2019

#### CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS

	Members' Capital	Other Reserves	Total members' interests 2019	Members' Capital	Other Reserves	Total member's interests 2018
	£	£	£			£
Members' interests at 1 April	30,613	1,413,446	1,444,059	30,613	598,746	629,359
Capital repaid	-	-	-	-	-	-
Profit available for discretionary division among members	-	218,502	218,502	-	2,583,848	2,583,848
Drawings	-	(1,549,598)	(1,549,598)	-	(1,769,148)	(1,769,148)
Members' interests at 31 March	<u>30,613</u>	<u>82,350</u>	<u>112,963</u>	<u>30,613</u>	<u>1,413,446</u>	<u>1,444,059</u>

#### PARTNERSHIP RECONCILIATION OF MEMBERS' INTERESTS

	Members' Capital	Other Reserves	Total members' interests 2019	Members' Capital	Other Reserves	Total member's interests 2018
	£	£	£			£
Members' interests at 1 April	30,613	1,384,324	1,414,937	30,613	562,354	592,967
Capital repaid	-	-	-	-	-	-
Profit available for discretionary division among members	-	245,236	245,236	-	2,591,116	2,591,116
Drawings	-	(1,549,598)	(1,549,598)	-	(1,769,148)	(1,769,148)
Members' interests at 31 March	<u>30,613</u>	<u>79,962</u>	<u>110,575</u>	<u>30,613</u>	<u>1,384,322</u>	<u>1,414,935</u>

The notes on pages 13 to 20 form an integral part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 31 March 2019**

	Notes	2019 £	2018 £
<b>Net cash inflow from operating activities</b>	13	491,895	2,651,899
<b>Cash flows from investing activities</b>			
Interest received		827	1,376
<b>Net cash flow from investing activities</b>		827	1,376
<b>Cashflows from financing activities</b>			
Corporation tax paid		-	-
Purchase of tangible fixed assets		-	-
Payments to members		(1,549,598)	(1,769,148)
<b>Net cash flow used in financing activities</b>		(1,549,598)	(1,769,148)
<b>(Decrease)/increase in cash at bank</b>		(1,056,876)	884,127
Cash at beginning of year		1,220,455	336,328
(Decrease)/increase in cash at bank		(1,056,876)	884,127
<b>Cash at end of year</b>		163,579	1,220,455

The notes on pages 13 to 20 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

Hutton Collins Partners LLP is registered in London and is incorporated in England, United Kingdom under the Limited Liability Partnership Act 2000. The financial statements are prepared in accordance with the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships issued in January 2017 (SORP) and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council. A summary of the principal accounting policies adopted is provided below. They have been applied consistently throughout the current year and the preceding year. The functional currency of the LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the LLP operates.

The address of the LLP's registered address is shown on page 1. The nature of the LLP's operations and its principal activities are set out in the Member's Report on pages 2 to 4.

**Accounting convention**

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value in accordance with FRS 102.

**Basis of consolidation**

The group financial statements incorporate a consolidation of the financial statements of the LLP and its subsidiary undertakings drawn up to 31 March each year. Hutton Collins & Company Limited has been included in the consolidation because of the voting rights associated with the LLP's ownership of a C ordinary share.

For the year ended 31 March 2019 the following subsidiary of the partnership was entitled to exemption from audit under section 479A of the Companies Act 2000 relating to subsidiary companies:

Subsidiary name	Companies House Registration Number
Hutton Collins GP III Limited	SC339442
Hutton Collins (2014) Limited	09312995

The subsidiary noted above is registered at 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

**Going concern**

The members have advised that the group's source of income in the form of management fees from the Funds is coming to an end. The Funds are due to be wound up with the remaining assets sold within the year. The management fees are payable to the 11th May 19. Accordingly, the members have adopted an other than going concern basis in preparing the Partnership's and Group's annual financial statement.

**Turnover**

Turnover comprises fund management and other fees which are included in the consolidated profit and loss account and are shown exclusive of value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, investment management. Income is recognised on an accrual basis.

**Interest Receivable**

The interest in the financial statements consist of bank interest income only. Income is recognised on an accruals basis.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and provision for any impairment.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**1. ACCOUNTING POLICIES (continued)**

Depreciation is provided on the cost or valuation of the tangible fixed assets so as to write off their cost or valuation over the useful economic lives of the assets on a straight-line basis. The annual rates of depreciation are as follows:

Fixtures and fittings	20% per annum
Computer equipment	33% per annum

**Pension costs**

The group makes monthly contributions to defined contribution schemes and has no commitment beyond the payment of these contributions. These costs are charged to the consolidated profit and loss account in the year to which they relate.

**Investments**

Investments are subsidiary undertakings and recognised at costs less provisions for impairments.

**Administration expenses**

Administration expenses are recognised in the Consolidated profit and loss account under the accrual basis.

**Taxation**

The taxation payable on the LLP's profits is the liability of the members and is not dealt with in these financial statements.

In respect of the statutory subsidiaries, current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Foreign currency**

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the dates of the transactions unless matching forward foreign exchange contracts have been entered into, in which case the rate specified in the relevant contract is used. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling on that date. All exchange rate differences are included in the consolidated statement of comprehensive income.

**Members' remuneration**

A division of profits that is discretionary on the part of the LLP is recognised as an appropriation of equity when the division occurs.

The remainder of profits incurred in the year and prior years are included within other reserves.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**1. ACCOUNTING POLICIES (continued)**

**Tangible assets**

Tangible assets are stated at cost or valuation, net of depreciation and any provision for impairment.

**Financial Assets**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. They are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled or the risks and rewards of ownership are substantially transferred to another party.

**Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into in accordance with FRS 102. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are recognised and subsequently measured at fair value. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Exemptions**

Hutton Collins Partners LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement for Hutton Collins Partners LLP.

Advantage has been taken of the exemption under FRS 102 Section 33: related parties not to disclose transactions or balances between group entities that have been eliminated on consolidation between entities controlled by Hutton Collins Partners LLP. There are no other related party transactions which require disclosure. Hutton Collins Partners LLP is the largest and smallest group for consolidation. It is incorporated in England and registered at the address noted on page 1.

**Critical Accounting Judgements and Key Sources of Uncertainty Estimation**

Due to the nature of the LLP's business and having considered the key sources of income and expenditure, balance sheet items and the Group's accounting policies, the Members do not believe there are any critical accounting judgements or key sources of estimation uncertainty.

**2. TURNOVER**

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>£</b>	<b>£</b>
With related parties	762,031	3,037,315
With third parties	29,438	60,725
	<u>791,469</u>	<u>3,098,040</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**3. INFORMATION REGARDING MEMBERS**

Information regarding members of the LLP is as follows:

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>No.</b>	<b>No.</b>
The average number of members during the year	5	7
	<b>£</b>	<b>£</b>
The share of profit attributable to the member with the largest entitlement to profit was	<u>214,173</u>	<u>992,015</u>

Managing members draw a proportion of their profit share in monthly instalments during the year in which the profit is made. The balance of profits for all members is usually paid in the subsequent year, subject to the cash requirements of the business.

Members do not receive remuneration.

Loans and other debts due to members rank pari passu with other creditors who are unsecured in the event of a winding up of the LLP.

**4. EMPLOYEE INFORMATION**

The average number of employees of the group during the year was:

	<b>2019 No.</b>	<b>2018 No.</b>
Professional	-	6.5
Support	<u>-</u>	<u>2</u>

There are no longer any employees of the LLP. Due to winding down operations, the work and functions of the group are carried out by the members and contractors.

	<b>£</b>	<b>£</b>
<b>Employment costs in the year</b>		
Wages and salaries	59,752	85,128
National Insurance Contributions	-	12,012
Pension contributions	<u>948</u>	<u>8,313</u>
	<u>60,700</u>	<u>105,453</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

## 5. OPERATING PROFIT

	2019 £	2018 £
<b>Operating profit is stated after charging/(crediting):</b>		
Auditor's remuneration		
- audit fees	19,350	16,467
- non-audit services	33,427	28,228
Depreciation (note 8)	741	2,892
Foreign exchange (gain) / loss - net	(5,012)	8,330
Mainspring Administration Fees	11,550	-
Irrecoverable VAT	4,175	-
	<u>19,350</u>	<u>16,467</u>
<i>The analysis of auditor's remuneration is as follows:</i>		
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	19,350	15,167
Fees payable to the LLP's auditor for the audit of subsidiary undertakings	-	1,300
Total audit fees	<u>19,350</u>	<u>16,467</u>
Tax services	24,571	26,182
Prior Year Audit/Tax	(7,100)	-
Payroll	-	2,046
Subsidiaries non-audit services	15,956	-
Total non-audit services fees	<u>33,427</u>	<u>28,228</u>

The disclosures above are for the group. The LLP is not required, in its individual financial statements, to disclose separately information about fees for non-audit services provided to the LLP because the consolidated financial statements are required to disclose such fees on a consolidated basis.

## 6. INTEREST RECEIVABLE

Interest received into the LLP	820	1,375
Interest received into the subsidiaries	7	1
Total	<u>827</u>	<u>1,376</u>

## 7. TAX ON PROFIT

The disclosures provided below relate only to current tax in respect of the subsidiaries.

	2019 £	2018 £
<i>Current tax</i>		
UK corporation tax charge for the year	-	-
Prior year adjustment	-	-
UK corporation tax charge	<u>-</u>	<u>-</u>
<i>Deferred taxation</i>		
Current year (note 12)	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

The differences between the current tax shown above and the amount calculated by applying the standard rate of UK Corporation tax to the profit before tax, is as follows.

	2019 £	2018 £
Profit on ordinary activities before tax	218,502	2,583,848
Profit of the group not subject to corporation tax	(218,502)	(2,583,848)
Profit of the group subject to corporation tax	-	-
Tax on group profits thereon at standard UK corporation tax rate of 17% (2018: 17%)	-	-
<i>Effects of:</i>		
Prior year adjustment	-	-
Current tax charge for the year	-	-

The standard rate of tax applied to the reported loss is 17% (2018: 17%). The applicable tax rate has changed following the substantive enactment of the Finance Act No2 2015, which was substantively enacted on 26 October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition, on 16 March 2016 the Government announced in the 2016 Budget Report that there would be a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020.

## 8. TANGIBLE FIXED ASSETS

CONSOLIDATED AND PARTNERSHIP	Short-term leasehold improvements £	Fixtures & fittings £	Computer equipment £	Total £
Cost:				
At 1 April 2018	593,529	277,525	24,574	895,628
Additions in the year	-	-	-	-
Disposals in the year	-	-	-	-
At 31 March 2019	593,529	277,525	24,574	895,628
Accumulated depreciation:				
At 1 April 2018	593,529	277,525	23,833	894,887
Charge for year	-	-	741	741
Accumulated depreciation on disposals	-	-	-	-
At 31 March 2019	593,529	277,525	24,574	895,628
Net book value:				
At 31 March 2019	-	-	-	-
At 1 April 2018	-	-	741	741

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**9. INVESTMENTS**

Hutton Collins Partners LLP owns one two pound C ordinary share in Hutton Collins & Company Limited. The C ordinary share has a voting right but no other economic rights. There were no provisions for impairments.

*The following subsidiary undertaking is directly held by the LLP at 31 March 2019:*

	Principal activity	%	Holding	Country of Registration
Hutton Collins GP III Limited	General Partner	100	Ordinary shares	Scotland
Hutton Collins (2014) Limited	Partnership Member	100	Ordinary shares	England and Wales

*The following subsidiary undertakings and associate are held indirectly by the LLP through Hutton Collins & Company Limited at 31 March 2019:*

Hutton Collins Mezzanine GP Limited	General Partner	100	Ordinary shares	England and Wales
Hutton Collins CIP Limited	Carried Interest Partner	100	Ordinary shares	Scotland
Hutton Collins GP II Limited	General Partner	100	Ordinary shares	Scotland

**10. DEBTORS**

	2019 Consolidated	2019 Partnership	2018 Consolidated	2018 Partnership
	£	£	£	£
Trade debtors	7,924	7,924	102,342	102,342
Recoverable accounts	108,778	108,169	101,515	100,907
Amounts owed by group undertakings	-	420	-	10
Other debtors	85,488	83,551	174,612	156,037
Prepayments	10,467	10,384	60,890	59,406
	<u>212,657</u>	<u>210,448</u>	<u>439,359</u>	<u>418,702</u>

As at year end, there are no amounts due after more than one year.

There are no amounts owed by group undertakings at year end in the consolidated accounts. These amounts are owed by other group entities which are not direct subsidiaries of the LLP.

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 Consolidated	2019 Partnership	2018 Consolidated	2018 Partnership
	£	£	£	£
Trade creditors	24,813	24,813	110,633	110,633
Taxes and social security	1,497	1,497	-	-
Taxation and national insurance	-	-	8,325	8,325
Amounts owed to group undertakings	-	-	-	22,724
Other creditors	3,036	3,281	26,441	7,676
Accruals and deferred income	233,927	231,676	71,097	71,097
	<u>263,273</u>	<u>261,267</u>	<u>216,496</u>	<u>220,455</u>

There are no amounts owed to group undertakings at year end in the consolidated accounts. These amounts are owed to other group entities which are not direct subsidiaries of the LLP.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 12. DEFERRED TAX

The group has not recognised a deferred tax asset in respect of tax losses carried forward due to there being insufficient evidence of sufficient, appropriate, profits arising in the future to utilise these losses. The amount of the unrecognised deferred tax asset is £387,192 (2018: £408,047).

### 13. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

#### Reconciliation of operating profit to net cash flow from operating activities

	31 March 2019	31 March 2018
	£	£
Operating profit	217,675	2,582,472
Depreciation	741	2,892
Decrease in debtors	226,702	329,510
Increase/(decrease) in creditors	46,777	(262,975)
Corporation tax receivable	-	-
Net cash inflow from operating activities	<u>491,895</u>	<u>2,651,899</u>

### 14. STATEMENT OF COMPREHENSIVE INCOME

The profit for the financial year attributable to the LLP is £245,236 (2018: £2,591,116). In accordance with the LLP Regulations 2001, Hutton Collins Partners LLP is exempt from the requirement to present its own statement of comprehensive income.

### 15. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33: related parties not to disclose transactions or balances between group entities that have been eliminated on consolidation between entities controlled by Hutton Collins Partners LLP. There are no other related party transactions which require disclosure. Hutton Collins Partners LLP is the largest and smallest group for consolidation. It is incorporated in the UK and registered at the address noted on page 1.

The designated members of the LLP are the controlling party and the key management personnel. The members take drawings rather than receive remuneration.

### 16. MITIGATION OF RISKS

Management take appropriate steps to minimise the impact of operational risks faced by the group through the operation of its board which oversees the group's risks and ensures that processes to identify, measure and monitor risks are implemented.

The impact of foreign exchange and cash flow (liquidity) risk is monitored and managed through the use of forward contracts where possible. Management believe that the group does not have significant concentrated exposure to other forms of price or credit risk.