

Company Registration No. 07199183 (England and Wales)

**Hanson Asset Management Limited**

**Annual report and financial statements  
for the year ended 31 March 2015**

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# **Hanson Asset Management Limited**

## **Company information**

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### **Directors**

E D Collins  
The Hon R W Hanson  
J R T McDonald  
C P Teroerde  
W E Burkland  
A Qureshi  
S K Sotomey

### **Secretary**

F B Hope

### **Company number**

07199183

### **Registered office**

1 Grosvenor Place  
8th Floor  
London  
SW1X 7HJ

### **Independent Auditors**

Saffery Champness  
Lion House  
Red Lion Street  
London  
WC1R 4GB

### **Bankers**

Barclays Bank plc  
Broadgate 2  
Leicester  
LE87 2BB

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**Strategic report**

**For the year ended 31 March 2015**

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

**Review of the business**

Hanson Asset Management Limited is a Financial Conduct Authority ("FCA") regulated UK company providing asset management services which include corporate advisory, wealth management and fund management. Clients include the Hanson family, professional and retail investors and institutions.

The board of directors is responsible for the overall stewardship of the company. The company's performance for the year is set out in the Profit and Loss account on page 9 and is considered by the board of directors to be less than satisfactory compared to last year and to budget. The company's longer term strategy aims to improve this.

**Risk management objectives and policy**

The company's risk management policy reflects the FCA requirement that we must manage a number of different categories of risk. These include, where applicable: credit, market, business, operational, insurance, liquidity and group risk. In respect of this disclosure it is the first four of these risks that are relevant and further information is provided on these risks below.

**Credit risk**

The company's current business model does not expose the business to any material credit risk. The credit risk capital requirement arises due to the holding of bank deposits, loans, investments and any past due items which has been calculated as £53,129. Consequently, the company has concluded that no further action and or additional capital are required to mitigate this risk due to the surplus held over the capital requirement.

**Market risk**

Under Pillar 1, the company does have exposure to foreign exchange risk due to the foreign currency bank deposits held. Based on foreign exchange currencies held at the year end, the foreign exchange risk requirement is calculated as £51,850. The company has concluded that no additional capital is required to mitigate this risk.

**Business Risk**

The company's Pillar 2 business risk assessment considers a fall in assets under management following a market downturn that leads to lower management fees. Different economic scenarios are modelled as part of the Internal Capital Adequacy Assessment Process (ICAAP) to establish the impact of economic downturns on our financial position.

The company's directors are responsible for monitoring the impacts of any market downturn on the business. Controls implemented include the continuing monitoring of its budgets and expenses and fund managers performance to determine any market risk. All figures are reviewed quarterly by the Board with monthly management accounts prepared by the Finance Director and reviewed by the Managing Directors.

**Operational risk**

Most of the company's risk management efforts are focused on operational risk. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems. The company has sound operational and compliance procedures and ensures all staff are experienced and knowledgeable to perform their responsibilities to the highest standards of professionalism and integrity. This includes everything, from risk to our high-level strategy to risk of administrative errors, fraud and theft. The company's policy is to operate a robust and effective risk management process, embedded within the governance and management structures of our business.

The company's risk management framework defines what operational risk means and this is approved by the directors. The main initiative is the establishment of a 'Risk Map' which includes analysis of the key risk areas identified by the senior management. These areas cover specific risk items within the following areas: Investment Management/Advisory; Financial crime; Capital Adequacy; Personnel; Market; Client; Business Continuity; Strategy; Outsourcing; Operational; Legal and Regulatory compliance.

The company seeks to identify the impact and probability of each risk item and rank it as high, medium or low. The company also identifies and implements measures to mitigate the risk and monitor any residual risk on an ongoing basis. The Risk Map is appended to the ICAAP which is formally approved by the directors.

**Capital resources**

The company's Capital Resources Requirement ("CRR") Pillar 1 calculation, as a Limited Licence Firm, is its Fixed Overheads Requirement (£394,000), which is higher than its base capital requirement (£50,000) or the Market Risk (£51,850) and Credit Risk (£53,129) combined. The company holds £668,330 as Tier 1 capital to meet its current CRR.

**Credit and market risk**

Disclosures in relation to the company's credit and market risks have been considered immaterial under BIPRU 11.3.5R (Exemption from disclosure: Materiality), as the company's capital requirement under GENPRU 2.1.45R (Calculation of the variable capital requirement for a BIPRU firm) is the fixed overheads requirement rather than the sum of the credit risk capital requirement and the market risk capital requirement.

**Strategic report (continued)**

**For the year ended 31 March 2015**

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**Internal capital requirements**

The company's overall approach to assessing the adequacy of our internal capital is set out in the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP process involves separate consideration of risks to the company's capital combined with stress testing using scenario analysis. The level of capital required to cover risks is a function of impact and probability. Impact is assessed by modelling the changes in the company's income and expenses caused by various potential risks over a 1-year time horizon. Probability is assessed subjectively.

Following the risk and capital requirement analysis undertaken by the senior management team, the company has concluded that the additional capital required under our Pillar 2 calculation (based on the aggregation rationale) is £97,000. The company holds £668,330 in Tier 1 capital which comfortably meets the company's fixed overhead requirement. In addition, the company's PI policy provides cover up to £7.5 million on any one claim which, in the company's opinion, mitigates the need to apportion capital in Pillar 2. Therefore, the company's Pillar 1 requirement is the minimum regulatory capital requirement that we will hold.

**The position of the company at the year end**

Having generated a loss after tax for the year of £1,769,081 (2014: Profit of £209,687), the company has net assets amounting to £668,330 (2014: £1,437,409) at 31 March 2015 and a reasonable cash position. The directors understand the financial position of the company at the year end and expect to improve this in the future.

**Remuneration policy**

The disclosures documented below are in accordance with the Financial Conduct Authority ("FCA") Handbook for Banks, Building Societies and Investment Firms ("BIPRU"). The rules included within BIPRU 11 set out the provision for Pillar 3 disclosure. This document includes information required to be disclosed by the company in order to meet such obligations.

As defined by the Remuneration Code (SYSC 19a) and Pillar 3 disclosures (BIPRU), the company is a proportionality level 3 Remuneration Code Firm and as such this disclosure is made in line with the requirements of a level 3 firm.

The following disclosures are required to be made on at least an annual basis regarding the company's remuneration policy and practices for those categories of staff whose professional activities have a material impact on the risk portfolio of the firm.

## **Hanson Asset Management Limited**

### **Strategic report (continued)**

**For the year ended 31 March 2015**

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The company has an independent remuneration committee which is the governing body responsible for reviewing the compensation policy and is responsible for its implementation.

The company's remuneration policy is to remunerate staff members at fixed competitive market rates for the roles they perform. Any variable remuneration is based on performance of duties carried out during the year and the overall performance of the company in line with the current economic climate.

Based on the company's profile, the company considers there to be two business areas within the company which are non-investment advisory and Investment Management. The company has identified that it has 13 code staff during 2014, being the directors and senior personnel whose role impacts the risk portfolio of the company. For the year ended 31 March 2015 the total aggregate remuneration awarded to Code Staff was £774,932.

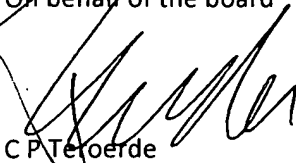
#### **Key performance indicators**

Given the straightforward nature of the business, the directors' are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance and position of the business.

#### **Further developments**

Subsequent to the year end the Board resolved to separate the Non-Investment Advisory and Investment Management businesses. The Non-Investment advisory business will be sold to a new legal entity called Hanson Capital Partners Limited, a company registered in England and Wales. The remaining Investment Management business will continue to operate under the same company and regulatory license.

On behalf of the board



C P Teroerde  
Director

27 July 2015

## **Hanson Asset Management Limited**

### **Directors' report**

**For the year ended 31 March 2015**

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

#### **Principal activities and review of the business**

The principal activity of the company is to provide asset management services which include corporate advisory, wealth management and fund management. Clients include the Hanson family, professional and retail investors and institutions. The company is regulated by the Financial Conduct Authority.

#### **Directors**

The following directors have held office since 1 April 2014:

E D Collins

The Hon R W Hanson

J R T McDonald

C P Teroerde

W E Burkland

A Qureshi

J C U Domingo

(Appointed 30 April 2014 and resigned 24 March 2015)

S K Sotomey

(Appointed 6 May 2014)

F B Hope

(Resigned 2 April 2014)

#### **Auditors**

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

## **Hanson Asset Management Limited**

### **Directors' report (continued)**

**For the year ended 31 March 2015**

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#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

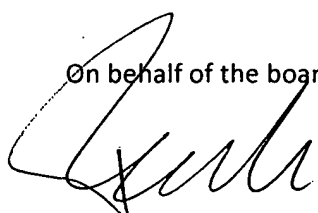
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

The directors have reviewed the company's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements. They have considered liquidity risk, key assumptions and uncertainties. As a result of this assessment, the directors have adopted the going concern basis of accounting for the preparation of these financial statements.

#### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



C P Teroerde

**Director**

27 July 2015

## **Hanson Asset Management Limited**

### **Independent auditors' report**

#### **To the members of Hanson Asset Management Limited**

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We have audited the financial statements of Hanson Asset Management Limited for the year ended 31 March 2015 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the .

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

**Hanson Asset Management Limited**

**Independent auditors' report (continued)**

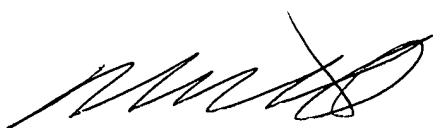
**To the members of Hanson Asset Management Limited**

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

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

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



**Michael Di Leto (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness**

27 July 2015

**Chartered Accountants**  
**Statutory Auditors**

Lion House  
Red Lion Street  
London  
WC1R 4GB

**Hanson Asset Management Limited**

**Profit and loss account**

**For the year ended 31 March 2015**

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		<b>2015</b>	<b>2014</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	1,394,110	2,026,670
Cost of sales		<u>(1,327,848)</u>	<u>(122,022)</u>
<b>Gross profit</b>		66,262	1,904,648
Administrative expenses		<u>(1,859,192)</u>	<u>(1,705,394)</u>
<b>Operating (loss)/profit</b>	<b>3</b>	(1,792,930)	199,254
Investment income	<b>4</b>	-	3,611
Other interest receivable and similar income	<b>4</b>	<u>23,851</u>	<u>6,822</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(1,769,079)	209,687
Tax on (loss)/profit on ordinary activities	<b>5</b>	<u>-</u>	<u>-</u>
<b>(Loss)/profit for the year</b>	<b>13</b>	<u><u>(1,769,079)</u></u>	<u><u>209,687</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 12 to 21 form part of these financial statements.

**Hanson Asset Management Limited**

**Balance sheet  
As at 31 March 2015**

	Notes	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	6		20,508		28,118
Investments	7		40,828		40,828
			<u>61,336</u>		<u>68,946</u>
<b>Current assets</b>					
Debtors	8	468,166		1,529,753	
Cash at bank and in hand		673,060		221,469	
		<u>1,141,226</u>		<u>1,751,222</u>	
<b>Creditors: amounts falling due within one year</b>	9	(531,695)		(380,222)	
<b>Net current assets</b>			<u>609,531</u>		<u>1,371,000</u>
<b>Total assets less current liabilities</b>			670,867		1,439,946
<b>Provisions for liabilities</b>	10		<u>(2,537)</u>		<u>(2,537)</u>
			<u>668,330</u>		<u>1,437,409</u>
<b>Capital and reserves</b>					
Called up share capital	12		1,529		1,300
Share premium account	13		2,699,071		1,699,300
Profit and loss account	13		(2,032,270)		(263,191)
<b>Shareholders' funds</b>	14		<u>668,330</u>		<u>1,437,409</u>

The notes on pages 12 to 21 form part of these financial statements.

Approved by the Board and authorised for issue on 27 July 2015

  
C P Teroerde  
Director

Company Registration No. 07199183

**Hanson Asset Management Limited**

**Cash flow statement**

**For the year ended 31 March 2015**

			<b>2015</b>	<b>2014</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash outflow from operating activities</b>	<b>20</b>		<b>(542,526)</b>	<b>(639,564)</b>
<b>Returns on investments and servicing of finance</b>				
Interest received		<u>6</u>	<u>1,390</u>	
<b>Net cash inflow for returns on investments and servicing of finance</b>			<b>6</b>	<b>1,390</b>
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets		<u>(5,889)</u>	<u>(25,033)</u>	
Receipts from sales of investments		<u>-</u>	<u>3,611</u>	
<b>Net cash outflow for capital expenditure</b>			<b>(5,889)</b>	<b>(21,422)</b>
<b>Net cash outflow before management of liquid resources and financing</b>			<b>(548,409)</b>	<b>(659,596)</b>
<b>Financing</b>				
Issue of ordinary share capital		1,000,000	-	
<b>Net cash inflow/(outflow) from financing</b>			<u><b>1,000,000</b></u>	<u><b>-</b></u>
<b>Increase/(decrease) in cash in the year</b>	<b>21, 22</b>		<u><u><b>451,591</b></u></u>	<u><u><b>(659,596)</b></u></u>

**Notes to the financial statements**  
**For the year ended 31 March 2015**

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**1 Accounting policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

**1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

**1.3 Turnover**

Turnover represents amounts receivable for fund and asset management services net of VAT and discounts.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line

**1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.6 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**1.7 Revenue recognition**

Turnover is recognised on an accruals basis in accordance with the work performed to date.

**1.8 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

**1.9 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Notes to the financial statements (continued)

For the year ended 31 March 2015

**1 Accounting policies**

(continued)

**1.10 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

**2 Turnover**

**Geographical market**

	<b>Turnover</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
UK	414,837	246,044
Non UK	979,273	1,780,626
	<u>1,394,110</u>	<u>2,026,670</u>

The company's turnover is wholly attributable to fund and asset management services.

**3 Operating (loss)/profit**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	13,499	7,608
Loss on foreign exchange transactions	-	61,694
Auditors' remuneration	9,750	8,500
Directors' remuneration	409,663	249,569
and after crediting:		
Profit on foreign exchange transactions	<u>(124,748)</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

**Hanson Asset Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2015**

<b>4</b>	<b>Investment income</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	-	3,611
	Bank interest	6	1,390
	Other interest	23,845	5,432
		<u>23,851</u>	<u>10,433</u>
<b>5</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
	<b>Total current tax</b>	<u>-</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	<u>(1,769,079)</u>	<u>209,687</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	<u>(353,816)</u>	<u>41,937</u>
	Effects of:		
	Non deductible expenses	(19,832)	20,931
	Depreciation add back	2,700	1,522
	Capital allowances	(1,178)	(3,158)
	Tax losses carried forward	387,662	-
	Tax losses utilised	<u>(15,536)</u>	<u>(61,232)</u>
		<u>353,816</u>	<u>(41,937)</u>
	<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

The company has estimated losses of £1.8m (2014 - £80,000) available for carry forward against future profits.

Notes to the financial statements (continued)  
For the year ended 31 March 2015

6 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2014	20,334	19,698	40,032
Additions	3,352	2,537	5,889
At 31 March 2015	23,686	22,235	45,921
<b>Depreciation</b>			
At 1 April 2014	8,201	3,713	11,914
Charge for the year	6,780	6,719	13,499
At 31 March 2015	14,981	10,432	25,413
<b>Net book value</b>			
At 31 March 2015	8,705	11,803	20,508
At 31 March 2014	12,133	15,985	28,118

7 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 April 2014 & at 31 March 2015	40,828
<b>Net book value</b>	
At 31 March 2015	40,828
At 31 March 2014	40,828

# Hanson Asset Management Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2015

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8 Debtors	2015 £	2014 £
Trade debtors	160,782	224,036
Other debtors	136,007	1,130,448
Prepayments and accrued income	171,377	175,269
	<u>468,166</u>	<u>1,529,753</u>

Amounts falling due after more than one year and included in the debtors above are:

	2015 £	2014 £
Other debtors	-	989,334
	<u>-</u>	<u>989,334</u>

9 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	194,910	130,905
Taxes and social security costs	37,239	32,905
Other creditors	66,946	-
Accruals and deferred income	232,600	216,412
	<u>531,695</u>	<u>380,222</u>

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

**10 Provisions for liabilities**

**Deferred tax  
liability  
£**

Balance at 1 April 2014 & at 31 March 2015	2,537
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**The deferred tax liability is made up as follows:**

	<b>2015 £</b>	<b>2014 £</b>
Accelerated capital allowances	2,537	2,537

**11 Pension and other post-retirement benefit commitments**  
**Defined contribution**

	<b>2015 £</b>	<b>2014 £</b>
Contributions payable by the company for the year	705	8,458

**12 Share capital**

	<b>2015 £</b>	<b>2014 £</b>
<b>Allotted, called up and fully paid</b>		
1,529 ordinary shares of £1 each	1,529	1,300

On 6 May 2014, the company issued 229 Ordinary £1 shares at a premium of £4,365.81 per share.

# Hanson Asset Management Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2015

### 13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2014	1,699,300	(263,191)
Loss for the year	-	(1,769,079)
Premium on shares issued during the year	999,771	-
Balance at 31 March 2015	<u>2,699,071</u>	<u>(2,032,270)</u>

### 14 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
(Loss)/Profit for the financial year	(1,769,079)	209,687
Proceeds from issue of shares	1,000,000	-
Net (depletion in)/addition to shareholders' funds	(769,079)	209,687
Opening shareholders' funds	1,437,409	1,227,722
Closing shareholders' funds	<u>668,330</u>	<u>1,437,409</u>

### 15 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within one year	-	-	21,513	-
Within two to five years	133,855	133,855	60,000	89,683
In over five years	-	-	20,000	-
	<u>133,855</u>	<u>133,855</u>	<u>101,513</u>	<u>89,683</u>

Notes to the financial statements (continued)

For the year ended 31 March 2015

16 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	<u>409,663</u>	<u>249,569</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>153,537</u>	<u>103,746</u>
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17 Employees

**Number of employees**

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Advisory and fund management services	<u>13</u>	<u>10</u>

**Employment costs**

	2015 £	2014 £
Wages and salaries	1,033,772	670,958
Social security costs	123,742	83,686
Other pension costs	705	8,458
	<u>1,158,219</u>	<u>763,102</u>

18 Control

There is no one ultimate controlling party of the company.

Notes to the financial statements (continued)

For the year ended 31 March 2015

19 Post balance sheet events

Subsequent to the year end the Board resolved to separate the Non-Investment Advisory and Investment Management businesses. The Non-Investment advisory business will be sold to a new legal entity called Hanson Capital Partners Limited, a company registered in England and Wales. The remaining Investment Management business will continue to operate under the same company and regulatory license.

20 Reconciliation of operating (loss)/profit to net cash outflow from operating activities	2015	2014
	£	£
Operating (loss)/profit	(1,792,930)	199,254
Depreciation of tangible assets	13,499	7,608
Decrease/(increase) in debtors	1,085,432	(1,133,761)
Increase in creditors within one year	151,473	328,163
Share based payment for services rendered	-	(40,828)
<b>Net cash outflow from operating activities</b>	<b>(542,526)</b>	<b>(639,564)</b>

21 Analysis of net debt	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	221,469	451,591	-	673,060
<b>Net funds</b>	<b>221,469</b>	<b>451,591</b>	<b>-</b>	<b>673,060</b>

22 Reconciliation of net cash flow to movement in net funds	2015	2014
	£	£
Increase/(decrease) in cash in the year	451,591	(659,596)
<b>Movement in net funds in the year</b>	<b>451,591</b>	<b>(659,596)</b>
Opening net funds	221,469	881,065
<b>Closing net funds</b>	<b>673,060</b>	<b>221,469</b>

**23 Related party relationships and transactions**

During the year the company was recharged expenses of £1,319 (2014: £39,375) by Hanson Family Holdings Limited, a company incorporated in England and Wales of which The Hon R W Hanson is a director and controlling party. At the balance sheet date, a £nil balance (2014: £nil) was outstanding.

During the year the company invoiced Hanson Holdings Lux SARL investment management and advisory fees of £480,580 (2014: £91,125), a company incorporated in Luxembourg which is ultimately controlled by C P Teroerde and The Hon R W Hanson. At the year end the balance outstanding was £129,124 (2014: £30,193). During the year the company provided net non trade loans of £nil (2014: £732,257) to Hanson Holdings Lux SARL. A fixed interest rate of 2% is charged on this loan which amounted to £23,845 (2014: £5,432). At the year end the balance outstanding was £1,121,879 (2014: £1,091,820) of which the company has provided against £1,121,879 (2014: £102,486) of this balance.

During the year the company recharged salaries to The Hon R W Hanson, a director and controlling party, totalling £nil (2014: £25,936). At the balance sheet date, a debtor of £nil (2014: £5,557) was outstanding.