

REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2018
FOR
HFMC WEALTH MANAGEMENT LTD

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2018

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Statement of Cash Flows	10
Notes to the Financial Statements	11

HFMC WEALTH MANAGEMENT LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 5 APRIL 2018

DIRECTORS:

M R A Carlton
J N J Hoyland

SECRETARY:

L A R Paris

REGISTERED OFFICE:

Russell House
140 High Street
Edgware
Middlesex
HA8 7LW

REGISTERED NUMBER:

02355062 (England and Wales)

AUDITORS:

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2018

The directors present their report with the financial statements of the company for the year ended 5 April 2018.

CHANGE OF NAME

The company passed a special resolution on 19 March 2018 changing its name from HFM Columbus Wealth Management Limited to HFMC Wealth Management Ltd.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of independent financial intermediation.

REVIEW OF BUSINESS

The results for 2018 reflect a turnover of £1,678,622 (2017: £1,598,943). The increase in turnover and in overheads has resulted in an decrease in trading profits to £89,440 (2017: £130,082).

No dividends were paid in the year hence the increase in the Company's capital and reserves by £72,446 to £536,596 (2017: £464,150).

The Board monitors the progress of the company's performance and the individual strategic elements on a monthly basis by reference to three KPI's;

1. Profits
2. Cashflow
3. Turnover

DIRECTORS

The directors shown below have held office during the whole of the period from 6 April 2017 to the date of this report.

M R A Carlton
J N J Hoyland

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Kingston Smith LLP, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2018**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD:

L A R Paris - Secretary

22 November 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HFMC WEALTH MANAGEMENT LTD

Opinion

We have audited the financial statements of HFMC Wealth Management Ltd (the 'company') for the year ended 5 April 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 company's affairs as at 5 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 matters 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HFMC WEALTH MANAGEMENT LTD

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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. As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

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 a Report of the Auditors 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.

Ian Matthews (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

29 November 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 5 APRIL 2018

	Notes	2018 £	2017 £
REVENUE	3	1,678,622	1,598,943
Cost of sales		<u>(1,543,048)</u>	<u>(1,424,005)</u>
GROSS PROFIT		135,574	174,938
Administrative expenses		<u>(46,148)</u>	<u>(44,082)</u>
OPERATING PROFIT	5	89,426	130,856
Interest receivable and similar income		<u>14</u>	<u>290</u>
		89,440	131,146
Interest payable and similar expenses	6	<u>-</u>	<u>(1,064)</u>
PROFIT BEFORE TAXATION		89,440	130,082
Tax on profit	7	<u>(16,994)</u>	<u>(25,999)</u>
PROFIT FOR THE FINANCIAL YEAR		72,446	104,083
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>72,446</u>	<u>104,083</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

5 APRIL 2018

	Notes	2018 £	2017 £
CURRENT ASSETS			
Debtors	8	602,654	513,419
Cash at bank		<u>10,752</u>	<u>11,853</u>
		613,406	525,272
CREDITORS			
Amounts falling due within one year	9	<u>(72,264)</u>	<u>(53,945)</u>
NET CURRENT ASSETS		541,142	471,327
TOTAL ASSETS LESS CURRENT LIABILITIES		541,142	471,327
PROVISIONS FOR LIABILITIES	11	<u>(4,546)</u>	<u>(7,177)</u>
NET ASSETS		536,596	464,150
CAPITAL AND RESERVES			
Called up share capital	12	228,153	228,153
Retained earnings	13	<u>308,443</u>	<u>235,997</u>
SHAREHOLDERS' FUNDS		536,596	464,150

The financial statements were approved by the Board of Directors on 22 November 2018 and were signed on its behalf by:

J N J Hoyland - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 6 April 2016	228,153	131,914	360,067
Changes in equity			
Total comprehensive income	-	104,083	104,083
Balance at 5 April 2017	228,153	235,997	464,150
Changes in equity			
Total comprehensive income	-	72,446	72,446
Balance at 5 April 2018	228,153	308,443	536,596

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2018**

		2018	2017
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	24,884	(126,496)
Interest element of hire purchase or finance lease rental payments paid		-	(1,064)
Tax paid		(25,999)	(13,675)
Net cash from operating activities		(1,115)	(141,235)
Cash flows from investing activities			
Interest received		14	290
Net cash from investing activities		14	290
Decrease in cash and cash equivalents		(1,101)	(140,945)
Cash and cash equivalents at beginning of year	2	11,853	152,798
Cash and cash equivalents at end of year	2	10,752	11,853

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS	2018	2017
	£	£
Profit before taxation	89,440	130,082
Increase/(decrease) in provisions	(2,631)	(4,682)
Finance costs	-	1,064
Finance income	(14)	(290)
	86,795	126,174
(Increase)/decrease in trade and other debtors	(89,235)	35,006
Increase/(decrease) in trade and other creditors	27,324	(287,676)
Cash generated from operations	<u>24,884</u>	<u>(126,496)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 5 April 2018

	5.4.18	6.4.17
	£	£
Cash and cash equivalents	<u>10,752</u>	<u>11,853</u>

Year ended 5 April 2017

	5.4.17	6.4.16
	£	£
Cash and cash equivalents	<u>11,853</u>	<u>152,798</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2018

1. COMPANY INFORMATION

HFCM Wealth Management Limited is a Limited company incorporated in England and Wales. Its principal place of business is HFM House New Road, Weybridge, Surrey KT13 9BW, England.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts are rounded to the nearest pound.

Turnover

Turnover represents the commissions earned from the one principal activity of providing financial services. It is measured at the fair value of the consideration received or receivable net of value added tax. Full credit is taken for the initial commissions due on all business transacted in the year irrespective of the period of the policy. Renewal commission is accounted for when received.

Taxation

Current tax is recognised for the amount of Corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred tax is recognised as a liability or an asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the Balance sheet date.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and 'Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments.

Financial instruments are recognised in the company's Statement of Financial Position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and where material are subsequently measured at amortised cost using the effective interest method, less any impairment.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and where material the changes in fair value are recognised in the Statement of Total Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair value cannot be measured reliably are measured at cost less impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the debt instrument to the net carrying amount on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2018

2. ACCOUNTING POLICIES - continued

Impairment of financial assets

Financial assets, other than those held at fair value are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Total Comprehensive Income

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity

Basic Financial liabilities

Basic financial liabilities, including trade and other payables and loans from group undertakings that are classified as debt are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at the market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if a payment is due within one year or less. If not, they are present as non current liabilities. Short term creditors are initially recognised at transaction price and where material are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

3. REVENUE

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom. The total revenue of the Company is derived from services.

4. EMPLOYEES AND DIRECTORS

The company had no employees in the year (2017: none) and hence no staff costs.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Auditors' remuneration	<u>7,250</u>	<u>8,250</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Finance interest	<u>-</u>	<u>1,064</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2018

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	16,994	25,999
Tax on profit	16,994	25,999

UK corporation tax has been charged at 19% (2017 - 19.99%).

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	12,879	21,676
Amounts owed by group undertakings	429,928	342,926
Prepayments and accrued income	159,847	148,817
	602,654	513,419

Amounts owed by group undertakings are interest free and repayable on demand. The difference between the amortised value and the carrying value is deemed to be non material.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	22	8,657
Amounts owed to group undertakings	39,658	-
Tax	16,994	25,999
Other creditors	-	2,500
Accruals and deferred income	15,590	16,789
	72,264	53,945

Amounts owed to group undertakings are interest free and repayable on demand. The difference between the amortised value and the carrying value is deemed to be non material.

10. FINANCIAL INSTRUMENTS

Carrying amount of financial assets

	2018	2017
£		
Debt instruments measured at amortised cost	442,807	364,602

Carrying amount of financial liabilities

	2018	2017
£		
Measured at amortised cost	55,270	27,946

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2018

11. PROVISIONS FOR LIABILITIES

	Clawback Provision £	Provision for complaints £	Total £
Balance at 6 April 2017	2,177	5,000	7,177
Provision made in the period	2,369		2,369
Utilisation	-	(5,000)	(5,000)
Balance at 5 April 2018	<u>4,546</u>	<u>-</u>	<u>4,546</u>

The provisions for liabilities and charges represent individual cases where claims for redress have been made. Full provision for the professional indemnity insurance excess has been made where the director considers the likelihood of the claim for redress to be upheld. Provision is also made for a clawback of commission received in situations where this is considered likely.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2018 £	2017 £
228,153	Ordinary		<u>228,153</u>	<u>228,153</u>

13. RESERVES

	Retained earnings £
At 6 April 2017	235,997
Profit for the year	72,446
At 5 April 2018	<u>308,443</u>

14. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is HFMC Group Holdings Limited, a company registered in England and Wales.

HFMC Group Holdings Limited prepares group financial statements and copies can be obtained from the Company Secretary, HFMC House, New Road, Weybridge, Surrey, KT13 9BW.

15. CONTINGENT LIABILITIES

The company is part of the HFMC Group Holdings Limited "VAT Group" and as such is joint and severally liable for the VAT liabilities of that group.

16. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Key management personnel

During the year, the company paid £2,700 (2017: £3,480) in respect of the provision of accountancy and consultancy services to a Partnership where one of the key management personnel is a Partner.

The key management personnel, including the directors, are employed by other entities within the group. No further compensation other than the above was paid by the Company.

17. ULTIMATE CONTROLLING PARTY

The company is under the control of the board of directors of its parent company HFMC Group Holdings Limited. It should be noted that Mr and Mrs Hoyland currently hold 48.27% of the issued share capital.

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.