

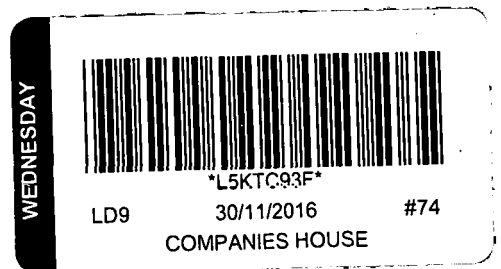
Registered number: 05775751

HERMITAGE CAPITAL MANAGEMENT (UK)
LIMITED

FINANCIAL STATEMENTS

29 FEBRUARY 2016

FILING COPY



HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

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HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

COMPANY INFORMATION

Director	I S Cherkasov
Company secretary	I S Cherkasov
Registered number	05775751
Registered office	Grafton House 2-3 Golden Square London W1F 9HR
Independent auditor	Blick Rothenberg Audit LLP 16 Great Queen Street Covent Garden London WC2B 5AH

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 29 FEBRUARY 2016

The director presents his report and the financial statements for the year ended 29 February 2016.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £1,845,069 (2015 -profit £45,152).

The director does not recommend a dividend (2015: £nil).

Director

The director who served during the year was:

I S Cherkasov

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

This report was approved by the sole director.


I S Cherkasov
Director

Date: 29 Nov 2016

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2016

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

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

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

The director is 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 the Group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED FOR THE YEAR ENDED 29 FEBRUARY 2016

We have audited the financial statements of Hermitage Capital Management (UK) Limited for the year ended 29 February 2016, set out on pages 6 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

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 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 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 director and auditor

As explained more fully in the director's responsibilities statement, the director is 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 financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's 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 Group's and the parent company's affairs as at 29 February 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED FOR THE YEAR ENDED 29 FEBRUARY 2016

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a group strategic report.

Blick Rothenberg Audit LLP

Nils Schmidt-Soltan (Senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

30 November 2016

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 FEBRUARY 2016

	Note	2016 £	2015 £
Turnover		47,676	97,709
Administrative expenses		(2,417,579)	(1,226,944)
Other operating income		524,587	1,174,265
Operating (loss)/profit	4	(1,845,316)	45,030
Interest receivable and similar income	7	247	122
(Loss)/profit on ordinary activities before taxation		(1,845,069)	45,152
Tax on (loss)/profit on ordinary activities	8	-	-
(Loss)/profit on ordinary activities after taxation		(1,845,069)	45,152
(Loss)/profit for the financial year attributable to:			
Non-controlling interests		200,000	389,000
Owners of the parent		(2,045,069)	(343,848)
(Loss)/profit for the financial year		(1,845,069)	45,152

There are no items of other comprehensive income for either the year or the prior year other than the profit for the year. Accordingly no statement of other comprehensive income has been presented.

**HERMITAGE CAPITAL
MANAGEMENT (UK) LIMITED**

REGISTERED NUMBER:05775751

**CONSOLIDATED BALANCE SHEET
AS AT 29 FEBRUARY 2016**

	Note	29 February 2016 £	28 February 2015 £
Fixed assets			
Tangible assets	10	30,023	62,640
Current assets			
Debtors: amounts falling due after more than one year	12	243,625	243,625
Debtors: amounts falling due within one year	12	30,774	1,163,369
Cash at bank and in hand	13	269,358	227,387
		<u>543,757</u>	<u>1,634,381</u>
Creditors: amounts falling due within one year	14	(1,205,449)	(283,621)
Net current assets		<u>(661,692)</u>	<u>1,350,760</u>
Net assets		<u>(631,669)</u>	<u>1,413,400</u>
Capital and reserves			
Called up share capital	17	48,090	48,090
Profit and loss account	16	(690,759)	1,354,310
Equity attributable to owners of the parent company		<u>(642,669)</u>	<u>1,402,400</u>
Non-controlling interests		11,000	11,000
		<u>(631,669)</u>	<u>1,413,400</u>

The financial statements were approved and authorised for issue by the sole director.


I S Cherkasov
Director

Date:

28/11/2016

**HERMITAGE CAPITAL
MANAGEMENT (UK) LIMITED**

REGISTERED NUMBER:05775751

**COMPANY BALANCE SHEET
AS AT 29 FEBRUARY 2016**

	Note	29 February 2016 £	28 February 2015 £
Fixed assets			
Investments	11	264,000	264,000
Current assets			
Debtors: amounts falling due after more than one year	12	381,125	381,125
Debtors: amounts falling due within one year	12	26,746	1,149,245
Cash at bank and in hand	13	93,259	55,013
		<u>501,130</u>	<u>1,585,383</u>
Creditors: amounts falling due within one year	14	(1,401,906)	(463,453)
Net current assets		(900,776)	1,121,930
Net assets		(636,776)	1,385,930
Capital and reserves			
Called up share capital	17	48,090	48,090
Profit and loss account	16	(684,866)	1,337,840
		<u>(636,776)</u>	<u>1,385,930</u>

The financial statements were approved and authorised for issue by the sole director.

I S Cherkasov
Director

Date:

27/11/2016

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2016

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent company £	Total equity £
At 1 March 2015	48,090	1,354,310	1,402,400	1,402,400
Comprehensive income for the year				
Loss for the year	-	(2,045,069)	(2,045,069)	(2,045,069)
At 29 February 2016	<u>48,090</u>	<u>(690,759)</u>	<u>(642,669)</u>	<u>(642,669)</u>

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2015

	Called up share capital	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£
At 1 March 2014	48,090	1,698,158	1,746,248	1,746,248
Comprehensive income for the year				
Loss for the year	-	(343,848)	(343,848)	(343,848)
At 28 February 2015	48,090	1,354,310	1,402,400	1,402,400

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2015	48,090	1,337,840	1,385,930
Comprehensive income for the year			
Loss for the year	-	(2,022,706)	(2,022,706)
At 29 February 2016	48,090	(684,866)	(636,776)

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2014	48,090	1,764,184	1,812,274
Comprehensive income for the year			
Loss for the year	-	(426,344)	(426,344)
At 28 February 2015	48,090	1,337,840	1,385,930

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2016

	29 February 2016 £	28 February 2015 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,845,069)	45,152
Adjustments for:		
Depreciation of tangible assets	32,617	36,376
Interest received	(247)	(122)
Decrease in debtors	1,132,595	66,947
Increase in creditors	921,828	174,214
Net cash generated from operating activities	241,724	322,567
Cash flows from investing activities		
Interest received	247	122
Net cash from investing activities	247	122
Cash flows from financing activities		
Payments to non controlling interests	(200,000)	(394,500)
Net cash used in financing activities	(200,000)	(394,500)
Net increase / (decrease) in cash and cash equivalents	41,971	(71,811)
Cash and cash equivalents at beginning of year	227,387	299,198
Cash and cash equivalents at the end of year	269,358	227,387
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	269,358	227,387

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The principal activity of the group is to provide research on investments and work on human rights campaigns. The company is a private company limited by shares and is incorporated in England. The address of its registered office and principal place of business is Grafton House, 2-3 Golden Square, London, W1F 9HR.

The financial statements are presented in Sterling (£).

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

Information on the impact of first-time adoption of FRS 102 is given in note 21.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of Hermitage Capital Management (UK) Limited and its subsidiary undertaking, Hermitage Capital LLP. Intercompany transactions and balances between group companies are therefore eliminated in full.

1.3 Going concern

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

1.4 Revenue

Revenue in respect of investment advice is recognised in the period in which the services are provided. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

1.5 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

The estimated useful lives range as follows:

Leasehold improvements	-	straight line over the length of the lease
Fixtures and fittings	-	20% straight line
Office equipment	-	25% straight line

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

1. Accounting policies (continued)

1.6 Operating leases

Rentals paid under operating leases are charged to the profit or loss account on a straight line basis over the period of the lease.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Financial instruments

The group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

The group's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised 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 a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

1. Accounting policies (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the group would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

1.9 Foreign currency translation

Functional and presentation currency

The group's functional and presentational currency is sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account within 'administrative expenses'.

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

1. Accounting policies (continued)

1.10 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

1.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances is not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Investment advice	<u>47,676</u>	<u>97,709</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
Rest of the world	<u>47,676</u>	<u>97,709</u>

3. Other operating income

	2016 £	2015 £
Cost recharges	<u>524,587</u>	<u>1,174,265</u>

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	32,617	36,376
Fees payable to the group's auditor for the audit of the company's annual accounts	18,000	18,000
Fees payable to the group's auditor for non-audit services	5,348	28,733
Operating leases	185,346	185,346
	<u>185,346</u>	<u>185,346</u>

5. Employees

Staff costs, including director's remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	341,492	314,244
Social security costs	42,717	34,208
	<u>384,209</u>	<u>348,452</u>

Key management personnel remuneration

Key management personnel for the year was £200,000 (2015: £229,400).

The average monthly number of employees, including the director, during the year was as follows:

	2016 No.	2015 No.
Operational	6	8
Management	2	2
	<u>8</u>	<u>10</u>

6. Director's remuneration

	2016 £	2015 £
Emoluments including partnership profit allocations	100,000	229,400
	<u>100,000</u>	<u>229,400</u>

Directors' emoluments include partnership profit allocations earned through Hermitage Capital LLP.

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

7. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>247</u>	<u>122</u>

8. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 -lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	<u>(1,845,069)</u>	<u>45,152</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	<u>(369,014)</u>	<u>9,482</u>
Effects of:		
Expenses not deductible for tax purposes	299,129	90,276
Profits allocated to minority interest	(48,612)	(96,372)
Deferred tax not recognised	<u>118,497</u>	<u>(3,386)</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

8. Taxation (continued)

Factors that may affect future tax charges

The company and the group have estimated tax losses of £920,000 (2015: £340,000) available to carry forward against future trading profits.

There is a potential deferred tax asset of approximately £165,000 (2015: £68,000), which has not been recognised in the financial statements due to the uncertainty concerning the timescale as to its recoverability.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance (No. 2) Act 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017. A further reduction in the UK corporation tax rate to 17%, effective from 1 April 2020, was substantively enacted as part of the Finance (No. 2) Act 2016 on 6 September 2016. Potential deferred taxes at the balance sheet date have been measured using these enacted tax rates based on when the timing difference is expected to reverse and reflected in these financial statements.

9. Parent company loss for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss after tax of the parent company for the year was £2,022,706 (2015 -loss £426,344).

10. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation				
At 1 March 2015 and 29 February 2016	291,425	89,961	281,338	662,724
Depreciation				
At 1 March 2015	232,954	89,961	277,169	600,084
Charge owned for the period	28,965	-	3,652	32,617
At 29 February 2016	261,919	89,961	280,821	632,701
At 29 February 2016	29,506	-	517	30,023
At 28 February 2015	58,471	-	4,169	62,640

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

11. Fixed asset investments

Subsidiary undertaking

Details of the company's subsidiary undertaking are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Hermitage Capital LLP	England	Members capital	96 %	Investment advice

Company

	Investment in subsidiary undertaking £
Cost	
At 1 March 2015 and 29 February 2016	264,000
Net book value	
At 29 February 2016	264,000
At 28 February 2015	264,000

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

12. Debtors

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Due after more than one year				
Amounts owed by group undertakings	-	-	137,500	137,500
Other debtors	243,625	243,625	243,625	243,625
	<u>243,625</u>	<u>243,625</u>	<u>381,125</u>	<u>381,125</u>
Due within one year				
Other debtors	26,389	1,147,236	22,361	1,133,112
Prepayments and accrued income	4,385	16,133	4,385	16,133
	<u>30,774</u>	<u>1,163,369</u>	<u>26,746</u>	<u>1,149,245</u>

13. Cash and cash equivalents

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Cash at bank and in hand	<u>269,358</u>	<u>227,387</u>	<u>93,259</u>	<u>55,013</u>

14. Creditors: Amounts falling due within one year

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Trade creditors	-	9,433	-	9,433
Amounts owed to group undertakings	1,169,929	215,820	1,374,421	404,657
Taxation and social security	35	999	-	-
Other creditors	13,485	37,369	13,485	37,363
Accruals and deferred income	22,000	20,000	14,000	12,000
	<u>1,205,449</u>	<u>283,621</u>	<u>1,401,906</u>	<u>463,453</u>

HERMITAGE CAPITAL MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

15. Financial instruments

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>270,014</u>	<u>1,390,861</u>	<u>403,486</u>	<u>1,514,237</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>1,183,414</u>	<u>262,622</u>	<u>1,387,906</u>	<u>451,453</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings and other creditors.

16. Reserves

Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

17. Share capital

	29 February 2016 £	28 February 2015 £
Allotted, called up and fully paid		
48,090 Ordinary shares of £1 each	<u>48,090</u>	<u>48,090</u>

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18. Commitments under operating leases

At 29 February 2016 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Not later than 1 year	213,464	214,998	213,464	214,998
Later than 1 year and not later than 5 years	33,600	246,824	33,600	246,824
Total	247,064	461,822	247,064	461,822

19. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions with other related parties are as follows:

Name (relationship)	Transaction	Amount				Amount due (to)/from related parties	
		2016 £	2015 £	2016 £	2015 £	2016 £	2015 £
Hermitage Entertainment Limited	Recharges	66,033	933,800	1,160,276	1,090,034		
(common control)	Bad debt provision	1,160,276	-	(1,160,276)			

20. Parent undertaking and controlling party

The parent company of the only group of undertakings of which the company is a member is Starcliff S.A., a company incorporated in the British Virgin Islands. Group financial statements are not prepared.

The immediate controlling party is Starcliff S.A., a company incorporated in the British Virgin Islands.

In the opinion of the directors the ultimate controlling party is W Browder.

21. First time adoption of FRS 102

This is the first year that the group has presented its results and financial position in accordance with FRS 102. The last financial statements under UK GAAP were for the year ended 28 February 2015. The date of transition to FRS 102 was 1 March 2014.

Application of the requirements of FRS 102 has not impacted reported equity at 1 March 2014 and 28 February 2015 and profit for the year ended 28 February 2015.