

Registration number: 01942924

Howmac Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2017

Saul Fairholm Limited
12 Tentercroft Street
Lincoln
Lincolnshire
LN5 7DB

Howmac Limited

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Howmac Limited

Company Information

Directors	Mr J G Hemingway Mr P S Cammerman Mrs C L Robinson
Company secretary	Mr CAR Gillams
Registered office	Meon House Stratford Road Mickleton Chipping Campden Gloucestershire GL55 6SU
Auditors	Saul Fairholm Limited 12 Tentercroft Street Lincoln Lincolnshire LN5 7DB

Howmac Limited

Strategic Report for the Year Ended 31 August 2017

The directors present their strategic report for the year ended 31 August 2017.

Principal activity

The principal activity of the company is to hold investments.

Fair review of the business

Howmac's net assets per share rose by 6% from £533 to £564 which compares with a 10% gain on the FTSE index. The underperformance is because of our defensive weighting on about half the assets invested.

Overall net assets rose by £202,988, of which £254,563 was a revenue profit, offset by a revaluation loss of £51,575. The revenue result includes some £19,121 of realised investment gains on one holding. However the dominant influence, aside from a steadily rising level of income, was the decision by Electra to wind its business down and pay out most of its net asset value by way of a dividend. As a result along with the revenue gain, there was a small but still sizeable capital loss on this holding. Nevertheless this has been an exceptional investment for us.

That decision by Electra, along with the decision by SVG to also close its business, had a key positive impact on the results. Against that the main problem continued to be our investment in funds managed by RMG and our investment in RMG LLP, the fund management company. The decision in the prior year to move half of our funds into the FX product with RMG, was only partially successful. We suffered losses in the period of £32,185 on the FX fund and £55,736 on the real return fund.

Subsequent to the year end, we decided to redeem all holdings with this fund manager, we have also taken the view that our investment in the LLP itself, should be fully provided for. We will record further significant losses in the current year as a result of this investment. In the event the steps we had taken to mitigate against poor performance by the FX fund, were also of no value, as the RRF was worse. We have accordingly written those amounts off.

Within private equity, both Electra and SVG provided a substantial gain, which has been realised along with further progress at Melrose Industries (which has a private equity model) where we continue to have positive expectations. Within private equity, we have a subscription to three Hollyport Funds (IV,V,VI) the latter two are in the process of calling further capital from us, whilst the first one (Hollyport IV) is now in the process returning capital. We are satisfied with the performance of all three funds to date.

The position in the unquoted sector is more varied. We held both the capital we had invested in the RMG LLP and the loan made to the same entity, in this section and as noted above have now written down those holdings to zero. We have added to our position in Evince Technology and participated in a secondary placing of their shares. The directors consider this provides a rudimentary market and have accordingly revalued the whole holding at this level. This price (£55) remains a level some way below the price of additional funding rounds since held by the company, as it remains an early stage holding. We continue to hold our investment in BLOC Ventures at cost; in a similar fashion they are reporting encouraging progress.

Within the equity section most of the holdings are in property companies, the section overall made a profit of £46,898, but no one stock produced an exceptional performance and all were mildly positive. In this area we also acquired some additional shares in NewRiver Retail which held a placing. The other changes were relatively minor.

Howmac Limited

Strategic Report for the Year Ended 31 August 2017

We report (Note 10 below) by corporate structure, but on a see through basis, our holdings were Private Equity 29%, Property 24%, Hedge Funds 42%, other assets 4%.

The current year will continue to reflect both poor performance and costs related to RMG. However we remain positive on both Private Equity and Property, although aware that whilst valuations are holding up for both categories, market sentiment for many types of property has turned sharply negative on supply and interest rate fears.

The results below show the ten year record of net tangible assets value per share measured against the FTSE All Share index at the balance sheet date.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Co. NTAV £	500	408	464	492	504	580	588	498	520	551
Co. NTAC Change £	(56)	(92)	56	28	12	76	8	(90)	22	31
Difference Co./All Share	-1.4	-10.2	3.1	-1.3	-4	-0.4	-4.2	-14.7	-3.8	-3.5

If you have any queries about your shareholding please do contact the Registered Office.

Principal risks and uncertainties

Investment and Strategic - incorrect strategy (including the deployment of and managing of gearing, directly or by fund managers), excessive concentration of investments, asset allocation or poor investment selection could all lead to poor returns.

External - events such as terrorism, disease, protectionism, inflation or deflation, economic shock or recessions, credit markets, movements in interest rates and exchange rates, could affect share prices and the valuation of investments.

Regulatory breaches of laws or regulations or taxation codes could lead to financial penalties.

Operational - Failure of our accounting system or those used by our investee companies could lead to an inability to provide accurate reporting and monitoring.

Financial - Inadequate controls by ourselves or third party providers could lead to misappropriation of assets or failure to comply with accounting standards. Insufficient liquidity for running costs or undrawn commitments could cause losses.

The Board seek to mitigate and manage these risks through continual review and monitoring including of the economic and investment environment.

Approved by the Board on 24 May 2018 and signed on its behalf by:

.....
Mr CAR Gillams
Company secretary

Howmac Limited

Directors' Report for the Year Ended 31 August 2017

The directors present their report and the financial statements for the year ended 31 August 2017.

Directors of the company

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

Mr J G Hemingway

Mr P S Cammerman

Mrs C L Robinson

Financial instruments

Objectives and policies

The company's principal financial instruments comprise of bank balances, fixed asset investments and trade creditors. The main purpose of these instruments is to raise funds for the company's operations, maximise shareholder wealth and to finance the company's investment operations.

Price risk, credit risk, liquidity risk and cash flow risk

Due to the nature of the trade and the financial instruments used by the company there is exposure to stock market fluctuations and share prices and therefore to price risk. The company's approach to managing this price risk is to maintain a well balanced and monitored investment portfolio.

Adequate bank balances exist to eliminate liquidity risk. The company may make use of money market facilities when funds are available.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The company currently has no loan or overdraft facility requirement.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 24 May 2018 and signed on its behalf by:

.....
Mr CAR Gillams
Company secretary

Howmac Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS 102. 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.

Howmac Limited

Independent Auditor's Report to the Members of Howmac Limited

Opinion

We have audited the financial statements of Howmac Limited (the 'company') for the year ended 31 August 2017, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 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 Auditor's 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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Howmac Limited

Independent Auditor's Report to the Members of Howmac Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Howmac Limited

Independent Auditor's Report to the Members of Howmac Limited

.....
Roger White (Senior Statutory Auditor)
For and on behalf of Saul Fairholm Limited, Statutory Auditor

12 Tentercroft Street
Lincoln
Lincolnshire
LN5 7DB

24 May 2018

Howmac Limited

Profit and Loss Account for the Year Ended 31 August 2017

	Note	2017 £	2016 £
Turnover		-	-
Administrative expenses		(12,418)	(16,404)
Other operating income	3	<u>22,317</u>	<u>(17,707)</u>
Operating profit/(loss)	5	<u>9,899</u>	<u>(34,111)</u>
(Loss)/gain on financial assets at fair value through profit and loss account		(51,575)	127,735
Income from other current asset investments		214,839	21,540
Other interest receivable and similar income	6	<u>29,825</u>	<u>25,185</u>
		<u>193,089</u>	<u>174,460</u>
Profit before tax		202,988	140,349
Taxation	8	<u>-</u>	<u>985</u>
Profit for the financial year		<u><u>202,988</u></u>	<u><u>141,334</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Howmac Limited

Statement of Comprehensive Income for the Year Ended 31 August 2017

	2017	2016
	£	£
Profit for the year	<u>202,988</u>	<u>141,334</u>
Total comprehensive income for the year	<u><u>202,988</u></u>	<u><u>141,334</u></u>

Howmac Limited

(Registration number: 01942924) Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
Current assets			
Debtors	9	91,992	85,000
Investments	10	3,216,400	3,310,243
Cash at bank and in hand		<u>350,878</u>	<u>64,994</u>
		3,659,270	3,460,237
Creditors: Amounts falling due within one year	12	<u>(4,583)</u>	<u>(8,538)</u>
Net assets		<u>3,654,687</u>	<u>3,451,699</u>
Capital and reserves			
Called up share capital	13	518,160	518,160
Share premium reserve		1,594,935	1,594,935
Other reserves		334,697	386,272
Profit and loss account		<u>1,206,895</u>	<u>952,332</u>
Total equity		<u>3,654,687</u>	<u>3,451,699</u>

Approved and authorised by the Board on 24 May 2018 and signed on its behalf by:

.....
Mr P S Cammerman
Director

Howmac Limited

Statement of Changes in Equity for the Year Ended 31 August 2017

	Share capital £	Share premium £	Non-distributable reserve £	Profit and loss account £	Total £
At 1 September 2016	518,160	1,594,935	386,272	952,332	3,451,699
Profit for the year	-	-	-	202,988	202,988
Total comprehensive income	-	-	-	202,988	202,988
Transfers	-	-	(51,575)	51,575	-
At 31 August 2017	<u>518,160</u>	<u>1,594,935</u>	<u>334,697</u>	<u>1,206,895</u>	<u>3,654,687</u>
	Share capital £	Share premium £	Non-distributable reserve £	Profit and loss account £	Total £
At 1 September 2015	518,160	1,594,935	258,537	938,733	3,310,365
Profit for the year	-	-	-	141,334	141,334
Total comprehensive income	-	-	-	141,334	141,334
Transfers	-	-	127,735	(127,735)	-
At 31 August 2016	<u>518,160</u>	<u>1,594,935</u>	<u>386,272</u>	<u>952,332</u>	<u>3,451,699</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Howmac Limited

Statement of Cash Flows for the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		202,988	141,334
Adjustments to cash flows from non-cash items			
Income tax expense	8	-	(985)
Changes in fair value of investments		51,575	(127,735)
(Profit)/loss from disposals of investments		(19,122)	17,822
Finance income		<u>(244,664)</u>	<u>(46,725)</u>
		(9,223)	(16,289)
Working capital adjustments			
Increase in trade debtors	9	(6,992)	-
Decrease in trade creditors	12	<u>(3,955)</u>	<u>(115)</u>
Cash generated from operations		(20,170)	(16,404)
Income taxes received	8	<u>-</u>	<u>985</u>
Net cash flow from operating activities		<u>(20,170)</u>	<u>(15,419)</u>
Cash flows from investing activities			
Income from current asset investments	6	244,664	46,725
Purchase of investments		(58,620)	(908,173)
Disposal of investments		<u>120,010</u>	<u>789,159</u>
Net cash flows from investing activities		<u>306,054</u>	<u>(72,289)</u>
Net increase/(decrease) in cash and cash equivalents		285,884	(87,708)
Cash and cash equivalents at 1 September 2016		<u>64,994</u>	<u>152,702</u>
Cash and cash equivalents at 31 August 2017		<u><u>350,878</u></u>	<u><u>64,994</u></u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Meon House
Stratford Road
Mickleton
Chipping Campden
Gloucestershire
GL55 6SU

These financial statements were authorised for issue by the Board on 24 May 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

These financial statements for the year ended 31st August 2017 are the first financial statements that comply with FRS 102. The date of transition is 1st September 2015. The transition to FRS 102 has resulted in a small number of changes in accounting policies to those used previously. The nature of these changes and their impact on opening equity and profit for the comparative period are explained in the notes disclosed below.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2017 £	2016 £
(Profit)/loss on disposal of current asset investments	19,122	(17,822)
Other income	3,195	115
	<u>22,317</u>	<u>(17,707)</u>

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2017 £	2016 £
Gain (loss) from disposals of investments	<u>19,122</u>	<u>(17,822)</u>

5 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Foreign exchange losses	311	-
Auditors remuneration	<u>1,780</u>	<u>3,084</u>

6 Other interest receivable and similar income

	2017 £	2016 £
Interest income on financial assets	29,825	25,185
Income from other investments (listed)	<u>214,839</u>	<u>21,540</u>
	<u>244,664</u>	<u>46,725</u>

7 Staff costs

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

	2017 £	2016 £
Directors remuneration	<u>5,000</u>	<u>5,000</u>

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

	2017 No.	2016 No.
Administration and support	<u>1</u>	<u>1</u>

8 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	<u>-</u>	<u>(985)</u>

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

9 Debtors

	Note	2017 £	2016 £
Trade debtors		6,992	-
Deferred tax assets	8	85,000	85,000
Total current trade and other debtors		91,992	85,000

10 Current asset investments

	2017 £	2016 £
Shares in investments - Unit Trusts and Equity	2,256,826	2,267,035
Other investments - Investment Trusts and Unlisted Investments	959,574	1,043,208
	3,216,400	3,310,243

	Unit trusts £	Equity £	Total £
As at 1 September 2016	1,719,703	547,332	2,267,035
Fair value adjustment	(73,921)	46,898	(27,023)
Additions	-	16,814	16,814
Disposals	-	-	-
As at 31 August 2017	1,645,782	611,044	2,256,826

	Investment Trusts £	Unlisted investments £	Total £
As at 1 September 2016	651,451	391,757	1,043,208
Fair value adjustment	27,806	(33,237)	(5,431)
Additions	-	41,806	41,806
Disposals	(87,438)	(32,571)	(120,009)
As at 31 August 2017	591,819	367,755	959,574

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Current asset investments

The unit trusts are all Channel Islands registered investments.

The above includes £99,750 (2015 - £96,000) traded on the Channel Islands Securities Exchange.

The Unlisted amount includes a holding in and a loan to RMG Wealth Management LLP, this business manages 42% of the company's investments at the balance sheet date (2016 - 43%) . This holding and loan to RMG Wealth Management LLP has a nil valuation at the balance sheet date (2016 - £80,000). The Unlisted heading also includes investments in venture capital funds where the amount drawn down is £150,000 (2015 - £110,000) out of a total commitment at the balance sheet date of £300,000.

The Investment Trusts are all London listed.

11 Cash and cash equivalents

	2017	2016
	£	£
Cash at bank	<u>350,878</u>	<u>64,994</u>

12 Creditors

	2017	2016
	£	£
	Note	
Due within one year		
Accrued expenses	<u>4,583</u>	<u>8,538</u>

13 Share capital

Allotted, called up and fully paid shares

	2017	2016		
	No.	£	No.	£
Ordinary shares of £80 each	<u>6,477</u>	<u>518,160</u>	<u>6,477</u>	<u>518,160</u>

Rights, preferences and restrictions

Ordinary shares of £80.00 each have the following rights, preferences and restrictions:

On 7th July 2011 the Company consolidated its share capital on the basis of 4,000 old 2 pence shares for one £80 share. Holders of a fraction of a new share were entitled to claim the proceeds of the sale (subject to certain conditions) of such shares. As over six years have now passed, no further claim or provision will be made for such holdings.

Where holders are untraced for a number of years, the Company is empowered to sell those shares. The holders retain a claim on the proceeds of such sales for a further period of time, it is considered unlikely that many such claims will be made, but they are provided for in full, until time barred. No such provision currently exists.

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

14 Related party transactions

Summary of transactions with other related parties

Evince Technology Ltd

(The company owns 4% (2016 - 3%) of the ordinary shares of Evince. Mr J G Hemingway (director) is also a director of Garfold Ltd, at the balance sheet date Garfold Ltd owned 8% (2016 - 8%) of Evince. Mr P S Cammerman was appointed director of Evince on 16 November 2012 and owns 1% (2016 - 1%) of the ordinary shares of Evince.)

During the period the company invested £1,925 (2016 - £10,570) in Evince Technology Ltd. "Evince" an unlisted investment. The Company acquired additional shares in the period from third parties at a price of £55 per share. The directors have accordingly decided a secondary market, albeit limited, exists in the shares and have used this valuation. This valuation is below the price of the latest subscription round. The amount due to Evince Technology Ltd was £nil (2016 - £nil).

RMG Wealth Management LLP & The Morgan Trust Company Limited

(The Morgan Trust Company Limited is the controlling party of the Company as majority shareholder.)

During a prior period the Company and The Morgan Trust Company had invested in both the capital of and provided a convertible loan to RMG Wealth Management LLP. the loan converted into shares in July 2017, giving a combined holding of just below 20% for both entities. In light of poor trading this investment has been fully provided for by Howmac Limited. The amount due to RMG Wealth Management LLP & The Morgan Trust Company Limited was £nil (2016 - £nil).

15 Transition to FRS 102

This is the first year that Howmac Limited has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements for the year ended 31st August 2016 were prepared under previous UK GAAP, and the transition date to FRS 102 is therefore 1st September 2015.

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Balance Sheet at 1 September 2015

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Investments	3,081,316	(3,081,316)	-	-
Current assets				
Current investments	-	3,081,316	-	3,081,316
Cash at bank and in hand	152,702	-	-	152,702
	152,702	3,081,316	-	3,234,018
Creditors: Amounts falling due within one year	(8,653)	-	-	(8,653)
Net current assets	144,049	3,081,316	-	3,225,365
Total assets less current liabilities	3,225,365	-	-	3,225,365
Provisions for liabilities	85,000	-	-	85,000
Net assets	3,310,365	-	-	3,310,365
Capital and reserves				
Called up share capital	(518,160)	-	-	(518,160)
Share premium reserve	(1,594,935)	-	-	(1,594,935)
Revaluation reserve	(258,537)	258,537	-	-
Other reserves	-	(258,537)	-	(258,537)
Profit and loss account	(938,733)	-	-	(938,733)
Total equity	(3,310,365)	-	-	(3,310,365)

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Balance Sheet at 31 August 2016

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Investments	3,310,243	(3,310,243)	-	-
Current assets				
Current investments	-	3,310,243	-	3,310,243
Cash at bank and in hand	64,994	-	-	64,994
	64,994	3,310,243	-	3,375,237
Creditors: Amounts falling due within one year	(8,538)	-	-	(8,538)
Net current assets	56,456	3,310,243	-	3,366,699
Total assets less current liabilities	3,366,699	-	-	3,366,699
Provisions for liabilities	85,000	-	-	85,000
Net assets	3,451,699	-	-	3,451,699
Capital and reserves				
Called up share capital	(518,160)	-	-	(518,160)
Share premium reserve	(1,594,935)	-	-	(1,594,935)
Revaluation reserve	(386,272)	386,272	-	-
Other reserves	-	(386,272)	-	(386,272)
Profit and loss account	(952,332)	-	-	(952,332)
Total equity	(3,451,699)	-	-	(3,451,699)

Howmac Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Profit and Loss Account for the year ended 31 August 2016

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover	-	-	-	-
Administrative expenses	(16,404)	-	-	(16,404)
Other operating income	<u>(17,707)</u>	<u>-</u>	<u>-</u>	<u>(17,707)</u>
Operating loss	<u>(34,111)</u>	<u>-</u>	<u>-</u>	<u>(34,111)</u>
Gain on financial assets at fair value through profit and loss account	-	127,735	-	127,735
Income from other current asset investments	<u>46,725</u>	<u>-</u>	<u>-</u>	<u>46,725</u>
	<u>46,725</u>	<u>127,735</u>	<u>-</u>	<u>174,460</u>
Profit before tax	<u>12,614</u>	<u>127,735</u>	<u>-</u>	<u>140,349</u>
Profit for the financial year	<u><u>12,614</u></u>	<u><u>127,735</u></u>	<u><u>-</u></u>	<u><u>140,349</u></u>

Howmac Limited

Detailed Profit and Loss Account for the Year Ended 31 August 2017

	2017 £	2016 £
Turnover	-	-
Administrative expenses		
Employment costs	(5,000)	(5,000)
General administrative expenses	(7,301)	(11,284)
Finance charges	(117)	(120)
	(12,418)	(16,404)
Other operating income	22,317	(17,707)
Operating profit/(loss)	9,899	(34,111)
(Loss)/gain on financial assets at fair value through profit and loss account	(51,575)	127,735
Income from other current asset investments (analysed below)	214,839	21,540
Other interest receivable and similar income	29,825	25,185
	193,089	174,460
Profit before tax	202,988	140,349

Howmac Limited

Detailed Profit and Loss Account for the Year Ended 31 August 2017

	2017 £	2016 £
Employment costs		
Directors remuneration	<u>5,000</u>	<u>5,000</u>
General administrative expenses		
Auditor's remuneration - The audit of the company's annual accounts	1,780	3,084
Legal and professional fees	5,210	8,200
Foreign currency (gains)/losses - operating expense	<u>311</u>	<u>-</u>
	<u>7,301</u>	<u>11,284</u>
Finance charges		
Bank charges	<u>117</u>	<u>120</u>
Other operating income		
Other income	3,195	115
(Profit)/loss on disposal of fixed asset Investments - other shares	<u>19,122</u>	<u>(17,822)</u>
	<u>22,317</u>	<u>(17,707)</u>
Income from other current asset investments		
Income from other investments (listed)	214,839	21,540
Fair value movement	<u>(51,575)</u>	<u>127,735</u>
	<u>163,264</u>	<u>149,275</u>
Other interest receivable and similar income		
Interest income on financial assets	<u>29,825</u>	<u>25,185</u>