

100039 | £20

FIL Global Management Services Limited

(Company incorporated in Bermuda. Registration Number: 50974)

Financial statements

For the period ended 30 June 2017

THURSDAY



A74OZWQQ

A15

26/04/2018

#401

COMPANIES HOUSE

FIL Global Management Services Limited

Table of contents

For the period ended 30 June 2017

Contents	Page
Financial statements	
- Statement of comprehensive income	2
- Balance sheet	3
- Statement of changes in equity	4
- Statement of cash flows	5
- Notes to the financial statements	6

FIL Global Management Services Limited

Statement of comprehensive income

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

	Notes	2017 \$	2016 \$
Revenue from services		32,882,197	14,400,657
Other income and gains		105,388	-
Operating expenses			
Employee compensation and benefits	4	29,717,558	13,630,561
Other expenses		18,632	-
Total operating expenses		29,736,190	13,630,561
Profit before tax		3,251,395	770,096
Income tax expense	5	(608,735)	(242,358)
Profit after tax		2,642,660	527,738
Other comprehensive income, net of tax		-	-
Total comprehensive income		2,642,660	527,738

FIL Global Management Services Limited


Balance sheet

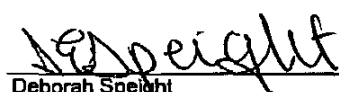
As at 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

	Notes	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents		34,401	12,000
Trade and other receivables	6	3,862,280	14,404,625
Available-for-sale financial assets	7	22,535,565	-
Total current assets		26,432,246	14,416,625
Non-current assets			
Other assets	8	53,085	-
Deferred tax assets	9	594,600	-
Total non-current assets		647,685	-
Total assets		27,079,931	14,416,625
Liabilities			
Current liabilities			
Trade and other payables	10	22,451,840	13,634,529
Income tax payable		1,445,693	242,358
Total current liabilities		23,897,533	13,876,887
Total liabilities		23,897,533	13,876,887
Net assets		3,182,398	539,738
Equity			
Share capital	11	12,000	12,000
Retained earnings		3,170,398	527,738
Total equity		3,182,398	539,738

The financial statements on pages 2 to 11 were approved by the Board of Directors on 27 March 2018 and were signed on its behalf.


Allan Pelvang
Director


Deborah Speight
Director

FIL Global Management Services Limited

Statement of changes in equity

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

		Share capital	Retained earnings	Total equity
		\$	\$	\$
As of 1 July 2015		-	-	-
Profit after tax		-	527,738	527,738
Total comprehensive income for the period		-	527,738	527,738
Issue of share capital	11	12,000	-	12,000
As of 30 June 2016		12,000	527,738	539,738
As of 1 July 2016		12,000	527,738	539,738
Profit after tax		-	2,642,660	2,642,660
Total comprehensive income for the period		-	2,642,660	2,642,660
As of 30 June 2017		12,000	3,170,398	3,182,398

FIL Global Management Services Limited

Statement of cash flows

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

	2017 \$	2016 \$
Cash flows from operating activities		
Profit after tax	2,642,660	527,738
Adjustments for:		
Interest income	(105,388)	-
Changes in working capital and tax balances		
Decrease (increase) in trade and other receivables	10,542,345	(14,404,625)
Increase in trade and other payables	8,817,311	13,634,528
Increase in current and deferred tax balances	608,735	242,358
Net cash inflow from operating activities	22,505,663	-
Cash flows from investing activities		
Purchases (sales) of available-for-sale financial assets - net	(22,588,650)	-
Interest received	105,388	-
Net cash (outflow) inflow from investing activities	(22,483,262)	-
Cash flows from financing activities		
Proceeds from the issue of share capital	-	12,000
Net cash inflow from financing activities	-	12,000
Net increase in cash and cash equivalents	22,401	12,000
Cash and cash equivalents at the beginning of the period	12,000	-
Cash and cash equivalents at the end of the period	34,401	12,000

FIL Global Management Services Limited

Notes to the financial statements

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

1 GENERAL INFORMATION ABOUT THE ENTITY AND THESE FINANCIAL STATEMENTS

(a) Entity information

FIL Global Management Services Limited (the "Company") is a wholly-owned subsidiary of FIL Limited (the "Parent Company") and is incorporated and domiciled in Bermuda on 15 December 2015 and commenced operations on 1 January 2016. The address of its principal place of business is Pembroke Hall, 42 Crow Lane, Pembroke, Bermuda, HM19.

The principal activities of the Company are to provide Global Management Services, Business Development & Risk and Investment Advisory Services. The Company is a management company, operating from a number of locations that is responsible for implementing FIL Group strategy, policy and objectives for the benefit of FIL Group regional holding companies and FIL Limited subsidiaries.

(b) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.

Certain new standards, amendments and interpretations to existing standards have been published which the Company has not early adopted that are mandatory for the Company's accounting periods beginning on or after 1 July 2017 or later periods. Unless otherwise disclosed, the standards and amendments that are not yet effective are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. The standards and amendments may impact the disclosures made in the financial statements in the year of adoption.

(c) Issue of the financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on 27 March 2018.

(d) Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated based on experience and other factors, including expectations of future events where relevant.

There are no areas involving a higher degree of judgement or complexity, or areas where estimation and assumptions are significant to the financial statements in the current period.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in U.S. dollars, which is the Company's functional and presentation currency, and transactions and balances are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or balance sheet date respectively.

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities, as disclosed in Note 1. Revenue is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the entity, and as services are rendered by reference to the stage of completion of the specific transaction as a proportion of the total services to be provided.

FIL Global Management Services Limited

Notes to the financial statements

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Employee compensation and benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities and has no further obligation once the contributions are paid. The Company's contribution to defined contribution plans are recognised in the period to which they relate.

(ii) Profit sharing and bonus plan

The Company recognises a provision and an expense for bonuses and profit-sharing as the constructive obligation arises, estimated based on a formula that takes into consideration the profit attributable to the ultimate controlling entity's shareholders after certain adjustments. The estimates are discounted to present value if the effect of the time value of money is determined to be material.

(d) Expense recognition

All other fees, costs and expenses of the Company are expensed as incurred.

(e) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within thirty days for all debtors. Collectability of trade receivables is reviewed on an ongoing basis and receivables which are known to be uncollectible are written off.

(f) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently carried at amortised cost, using the effective interest method. The amounts are unsecured and are usually paid within thirty days of recognition.

(g) Share capital

Ordinary shares are classified as equity. Dividends to the Company's shareholder are recognised when dividends are approved for payment.

(h) Fair value estimation of financial assets and financial liabilities

The carrying amounts of the following financial assets and financial liabilities approximate their fair values as of the balance sheet date: trade and other receivables, and trade and other payables.

(i) Income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. *Deferred income tax is recognised for temporary differences using tax rates that are expected to apply when the temporary difference reverses, based on tax rates and laws enacted or substantively enacted at the balance sheet date and the manner in which the Company expects to recover or settle the assets and liabilities.*

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

FIL Global Management Services Limited

Notes to the financial statements

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT

(a) Market risk

(i) Foreign exchange risk

The Company has no significant currency risk exposure as it has minimal monetary financial assets and liabilities denominated in foreign currencies.

(ii) Price risk

The Company is not exposed to any significant price risk on its financial instruments.

(iii) Interest rate risk

The Company is not exposed to any significant interest rate risk on its financial instruments.

(b) Credit risk

Credit risk arises from credit exposures to customers including outstanding receivables. The main debtors of the Company are FIL Limited and other commonly controlled entities. These entities are all trading on a going concern basis and the credit risk is considered to be low.

The maximum exposure to credit risk for each class of financial assets is the carrying value of that class of financial instruments presented on the Company's balance sheet. As of the balance sheet date, no assets were past due nor impaired.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet operational requirements. Liquidity is maintained by a Loan with the Parent Company (FIL Limited) which acts as a payment master to settle inter-company transactions directly with the contracted entities on a monthly basis.

All of the Company's financial liabilities have a contractual maturity of less than one year.

(d) Capital risk

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

FIL Global Management Services Limited

Notes to the financial statements

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

4 EMPLOYEE COMPENSATION AND BENEFITS

	2017	2016
	\$	\$
Salaries, bonus plans and other benefits	29,717,558	13,630,561
	<u>29,717,558</u>	<u>13,630,561</u>

5 INCOME TAX

(a) Income tax expense comprises:	2017	2016
	\$	\$
Current income tax	968,092	242,358
Deferred income tax	(594,600)	-
Adjustments in respect of prior periods	235,243	-
	<u>608,735</u>	<u>242,358</u>

The income tax expense differs from the amount that would arise from applying the standard rate of income tax to profit before tax due to the following:

	2017	2016
	\$	\$
Profit before tax	3,251,395	770,096
Tax calculated at a rate of 20% (2016: 20%)	650,279	154,020
Effect of:		
Different tax rates in other countries	(5,306)	88,338
Impact of foreign exchange	(796)	-
Rate difference in deferred tax movement	17,297	-
Adjustments in respect of prior periods	(52,739)	-
Income tax expense	<u>608,735</u>	<u>242,358</u>

The weighted average applicable tax rate was 18.7% (2016: 31.5%). This rate arises as a result of the lower rate of tax is a result of the timing of tax deductions previously not recognised for deferred tax.

6 TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Current		
Amount due from related parties	3,862,280	14,404,625
	<u>3,862,280</u>	<u>14,404,625</u>

The amounts due from related parties are unsecured, interest-free and settled on a monthly basis.

FIL Global Management Services Limited

Notes to the financial statements

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2017	2016
Current	\$	\$
Fidelity Institutional Liquidity Fund	22,535,565	-
Total available-for-sale financial assets	22,535,565	-

8 OTHER ASSETS

	2017	2016
Non-current	\$	\$
Deposits and other assets	53,085	-
	53,085	-

9 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The movements in deferred tax assets and liabilities were:

	2017	2016
Deferred tax assets:	\$	\$
As of the beginning of the period	-	-
Tax credit to profit or loss	594,600	-
As of the end of the period	594,600	-

10 TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Amount due to related parties	2,043,086	2,113,750
Accounts payable and accrued liabilities	20,408,754	11,520,779
	22,451,840	13,634,529

The trade amounts due to related parties are unsecured, interest-free and settled on a monthly basis

11 SHARE CAPITAL AND DIVIDENDS

	2017	2016
Issued and fully paid:	\$	\$
12,000 Ordinary Shares of US\$1 each	12,000	12,000
	12,000	12,000

Except as noted, all shares classes of the Company have the same rights and privileges.

	No. of shares	No. of shares
As of 1 July	12,000	-
Issue of shares	-	12,000
As of 30 June	12,000	12,000

FIL Global Management Services Limited

Notes to the financial statements

For the period ended 30 June 2017

(Expressed in U.S. dollars unless otherwise stated)

12 RELATED PARTY TRANSACTIONS

(a) Immediate and ultimate controlling entity

The Company's immediate and ultimate controlling entity is FIL Limited, a company incorporated in Bermuda, which owns 100% of the ordinary shares of FIL Global Management Services Limited.

(b) Transactions with related parties

Significant related party transactions, which were carried out in the normal course of the Company's business are as follows:

	2017	2016
	\$	\$
Provision of services		
Other related parties *	25,091,244	10,706,970
Parent *	7,790,953	3,693,687
	32,882,197	14,400,657

* The Provision of services relates to providing Global Management, Investment Advisory & Support and Business Development & Risk services

Purchases of services

Other related parties	12,737,263	1,877,901
-----------------------	------------	-----------

Compensation expenses paid by related party and recharged to the Company.

(c) Outstanding balances with related parties

Trade and other receivables

Other related parties	3,117,100	10,710,938
Parent	745,180	3,693,687
	3,862,280	14,404,625

Trade and other payables

Other related parties	2,043,086	1,446,215
Parent	-	667,535
	2,043,086	2,113,750

(d) Terms and conditions

The amounts due from or to related parties are unsecured, interest-free and settled on a monthly basis by the Parent Company which acts as a payment master on behalf of the Company. The balance due from or to the Parent Company is settled on a monthly basis.

No provision for doubtful debts has been raised in relation to outstanding balances with related parties, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

All transactions were made on normal commercial terms and conditions and at arm's length.

(e) Key management personnel compensation

	2017	2016
	\$	\$
Salaries and short-term employee benefits	29,717,558	13,630,561
	29,717,558	13,630,561

Only one of the key management personnel is a director of the Company. There are a total of four directors. None of the directors received, or will receive, any fees or remuneration in respect of their directorship from the Company during the period.

13 EVENTS OCCURRING AFTER BALANCE SHEET DATE

No events after the reporting period have occurred that require disclosure in the financial statements.