

AnaCap Financial Partners LLP

Report and Financial Statements
For the year ended 31 December 2017



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OFFICERS AND PROFESSIONAL ADVISERS

Designated Members	P B Cartwright M Edwards J S Giannamore A Hilkene C Patrick J Sulger
Auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Registered Office	9 & 10 th Floor 1 Stephen Street London W1T 1AL
Registered Number	OC314005

MEMBERS' REPORT

The members present the annual report and audited financial statements of AnaCap Financial Partners LLP (the "LLP") for the year ended 31 December 2017.

The LLP was incorporated on 1 July 2005 and became authorised by the Financial Services Authority ("FSA") on 22 November 2005, which subsequently transferred to the Financial Conduct Authority ("FCA") on 1 April 2013.

Principal activities and business review

The principal activity of the LLP during the year continued to be that of providing investment advice.

The members are satisfied with the performance for the year and intend to continue to develop the business.

Results

The trading results for the year and the LLP's financial position at the end of the year are set out in the attached financial statements. Profit for the year available for profit share among members was £5,970,607 (2016: 7,648,103).

Going concern

Based on forecast profits and cash flows, the members deem that the LLP will have adequate financial resources to meet its obligations for the foreseeable future. The LLP also has long-term contracts with established private equity and credit opportunities funds in place. The members are satisfied that the underlying investors in these funds are able to meet their commitments as and when they fall due. There has been no indication of any investor defaulting on their commitment.

As a consequence, the members believe that the LLP is well placed to manage its business risks successfully despite the continued uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The Designated Members

The Designated Members who served the LLP during the year and up to the date of this report were as follows:

P B Cartwright
M Edwards
J S Giannamore
A Hilken
C Patrick
J Sulger
F Cesario – left the Partnership on 15 April 2017

Policy regarding members' drawings and the subscription and repayment of members' capital

The LLP agreement provides that fixed amounts, determined for each member each year, be paid to members, irrespective of the profits of the LLP. These amounts are included as an expense in the Income Statement.

A member's discretionary share in the profit or the loss for the year is accounted for as an allocation of profits or losses. Undistributed profits and losses at the year-end are included within "Members' Other Interests".

When a member subscribes to the LLP they shall make a capital contribution which will be repaid when they cease to be a member, or upon termination or liquidation of the LLP.

MEMBERS' REPORT

Auditor

Each of the persons who is a Designated Member at the date of approval of this report confirms that:

- so far as the member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the member has taken all the steps that he ought to have taken as a member to make himself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Partner meeting.

Approved by the members and signed on their behalf by:



M Edwards
Designated Member
19 April 2018

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the members' report and financial statements in accordance with applicable law and regulation.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under these regulations the members 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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 Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANACAP FINANCIAL PARTNERS LLP

Opinion

We have audited the financial statements of AnaCap Financial Partners LLP ("the Limited Liability Partnership") for the year ended 31 December 2017 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Members Interests, the Cash Flow Statement 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

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 Limited Liability Partnership 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 Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Limited Liability Partnership'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 Members 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANACAP FINANCIAL PARTNERS LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit

Responsibilities of Members

As explained more fully in the Members' responsibilities statement, the Members 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 Members determines 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 Members are responsible for assessing the Limited Liability Partnership'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 Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership'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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDO LLP

Vanessa-Jayne Bradley (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
Date: 19 April 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

INCOME STATEMENT**For the year ended 31 December 2017**

	Notes	Year ended 31 December 2017 £	Year ended 31 December 2016 £
REVENUE	4	24,229,868	22,072,981
Foreign exchange gains	8	2,050	5,399
Administrative expenses		(9,981,397)	(8,455,981)
OPERATING PROFIT	5	14,250,521	13,622,399
Gain on sale of investment	9	-	8,754
Finance Income	7	1,555	789
Finance Expense	7	(13,355)	(10,323)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE		14,238,721	13,621,619
Members' remuneration charged as an expense		(8,268,114)	(5,973,516)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY PROFIT SHARE AMONG MEMBERS		<u>5,970,607</u>	<u>7,648,103</u>

There were no recognised gains or losses in either year other than those included in the Income Statement and therefore there is no separate Statement of Other Comprehensive Income presented.

All of the activities of the LLP are classed as continuing.

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

BALANCE SHEET
As at 31 December 2017

	Notes	31 December 2017 £	31 December 2016 £
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,754,313	1,974,094
Total non-current assets		1,754,313	1,974,094
Current Assets			
Trade and other receivables	13	4,164,727	2,870,361
Cash and cash equivalents	14	1,880,241	5,196,935
Total current assets		6,044,968	8,067,296
TOTAL ASSETS		7,799,281	10,041,390
LIABILITIES			
Current liabilities			
Trade and other payables	16	(2,697,816)	(2,696,121)
Total current liabilities		(2,697,816)	(2,696,121)
NET ASSETS ATTRIBUTABLE TO MEMBERS		5,101,465	7,345,269
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability under IAS 32		230,998	230,798
Equity			
Members' other interests - Other reserves classified as equity under IAS 32		4,870,467	7,114,471
		5,101,465	7,345,269
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members		230,998	230,798
Members' other interests		4,870,467	7,114,471
		5,101,465	7,345,269

BALANCE SHEET (continued)
As at 31 December 2017

The financial statements on pages 7 to 21 were approved by the members on 19 April 2018 and signed on their behalf by:



M Edwards
Designated Member

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

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

For the year ended 31 December 2017

	Members' other interests - Other reserves	Loans and other debts due to members less any amounts due from members	2017 Total members' interests
	£	£	£
Balance at 1 January 2017	7,114,471	230,798	7,345,269
Members' remuneration charged as an expense	-	8,268,114	8,268,114
Profit for the year available for discretionary division among members	5,970,607	-	5,970,607
Members' interests after profit for the year	13,085,078	8,498,912	21,583,990
Other divisions of profits	(8,214,611)	8,214,611	-
Introduction of member's capital	-	500	500
Capital repaid to members	-	(300)	(300)
Drawings	-	(16,482,725)	(16,482,725)
Profit for the period available for the profit share among members	4,870,467	230,998	5,101,465
Balance at 31 December 2017	4,870,467	230,998	5,101,465

	Members' other interests - Other reserves	Loans and other debts due to members less any amounts due from members	2016 Total members' interests
	£	£	£
Balance at 1 January 2016	5,570,740	230,698	5,801,438
Members' remuneration charged as an expense	-	5,973,516	5,973,516
Profit for the year available for discretionary division among members	7,648,103	-	7,648,103
Members' interests after profit for the year	13,218,843	6,204,214	19,423,057
Other divisions of profits	(6,104,372)	6,104,372	-
Introduction of member's capital	-	400	400
Capital repaid to members	-	(300)	(300)
Drawings	-	(12,077,888)	(12,077,888)
Profit for the period available for the profit share among members	7,114,471	230,798	7,345,269
Balance at 31 December 2016	7,114,471	230,798	7,345,269

The notes on pages 12 to 21 form part of these accounts

CASH FLOW STATEMENT
For the year ended 31 December 2017

	Notes	31 December 2017 £	31 December 2016 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	13,459,552	14,618,332
Net cash generated from operating activities		<u>13,459,552</u>	<u>14,618,332</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(281,921)	(231,974)
Proceeds received from investment	9	-	8,954
Net cash used in investing activities		<u>(281,921)</u>	<u>(223,020)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Introduction of members capital		200	100
Interest Income / (Expense)	7	(11,800)	(9,534)
Members drawings		(16,482,725)	(12,077,888)
Net cash used in financing activities		<u>(16,494,325)</u>	<u>(12,087,322)</u>
Net increase / (Decrease) in cash		<u>(3,316,694)</u>	<u>2,307,990</u>
Cash at the beginning of the year		<u>5,196,935</u>	<u>2,888,945</u>
Cash at the end of the year		<u><u>1,880,241</u></u>	<u><u>5,196,935</u></u>

The notes on pages 12 to 21 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. ADOPTION OF NEW AND REVISED STANDARDS

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the LLP has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Annual Improvements to IFRSs 2012-2014 Cycle	The LLP has adopted the amendments to IFRSs included in the Annual Improvements to IFRSs 2012-2014 Cycle in the prior year. The adoption of these amendments has had no effect on the LLP's consolidated financial statements.
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New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the LLP has not applied the following new and revised IFRSs that have been issued but are not yet effective and (in some cases) had not yet been adopted by the EU:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts

The members do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the LLP in future periods, except as noted below:

- IFRS 9 will impact both the measurement and disclosures of financial instruments;
- IFRS 15 may have an impact on revenue recognition and related disclosures; and
- IFRS 16 will have impact on the reported assets, liabilities, income statement and cash flows of the LLP. Furthermore, extensive disclosures will be required by IFRS 16.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Turnover

The turnover shown in the Income Statement represents the fees received from providing investment advisory services during the period stated net of value added tax.

Property, plant and equipment

All property, plant and equipment is stated at cost, less subsequent depreciation and impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	–	over the length of the lease
Fixtures & fittings	–	5 years straight-line
Office equipment	–	3 years straight-line

Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the LLP will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amounts and the present value of their estimated future cash flows, discounted at the effective interest rate. The initial amount of the provision and subsequent changes are recognised in the Income Statement in administrative expenses.

Trade and other payables

Trade and other payables are recorded initially at fair value and subsequently at amortised cost.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income Statement on an accruals basis over the period of the lease. As lessee, costs under operating leases are charged to the Income Statement in equal amount over the periods of the leases. Incentives received to enter into leases are amortised on a straight-line basis over the term of the lease.

Taxation

No provision for tax has been made as each partner will be responsible for their own tax liability.

Pension costs

The LLP operates a defined contribution scheme and the amounts charged to the Income Statement in respect of pension costs are the contributions payable in the year.

Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Members' remuneration

The LLP agreement provides that fixed amounts, determined for each member each year, be paid to members, irrespective of the profits of the LLP. These amounts are included as an expense in the Income Statement after arriving at "Profit for the Financial Year Before Members' Remuneration and Profit Share".

A member's discretionary share in the profit or the loss for the year is accounted for as an allocation of profits or losses. Undistributed profits and losses at the year-end are included within "Members' Other Interests".

Going concern

As disclosed in the Members' Report, the members consider it appropriate for the LLP to continue to adopt the going concern basis in preparing the annual report and financial statements.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2017****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the LLP's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Due to the nature of the LLP's operations there are no areas considered to have a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

4. REVENUE

The revenue for the year was derived from the LLP's continuing activity of providing investment advice which was carried out wholly in the UK.

5. OPERATING PROFIT

Operating Profit is stated after charging:

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Depreciation - Property, plant and equipment	501,702	505,799
Audit and non-audit fees:		
Fee payable to the LLP's auditor for the audit of the financial statements	17,000	19,205
Taxation and Compliance services	-	23,478
Other services	-	24,719
Total Auditor's remuneration	17,000	67,402
Staff costs	2,968,566	2,656,045
Operating lease costs:		
– land and buildings	1,179,177	1,157,360
– plant and machinery	39,686	38,906

6. PARTICULARS OF MEMBERS

The average number of members for the year was 30 (2016: 29). Members' remuneration charged as an expense comprises Members' fixed profit shares, which are non-discretionary under the terms of the LLP agreement.

During the year, five additional non-designated members were admitted to the partnership, one designated and two non-designated members left the partnership. A full listing of members is available from the partnership's principal place of business, which is that of the registered office.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2017**

The financial statements present information about the LLP as an individual undertaking and not about its group.

7. FINANCE INCOME

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Interest on cash and cash equivalents	1,555	789
Finance costs	(13,355)	(10,323)
Total finance income	(11,800)	(9,534)

8. FOREIGN EXCHANGE GAINS

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Net foreign exchange differences recognised	2,050	5,399
Total foreign exchange gains/ (losses)	2,050	5,399

9. INVESTMENT GAINS

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Net investment gains recognised	-	8,754
Total investment gains	-	8,754

2016 investment gains relate to the residual profits returned upon liquidation of AnaCap FP Limited.

10. STAFF COSTS

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Wages and salaries (includes cash and deferred bonuses)	2,543,355	2,270,994
Social Security costs	329,144	291,239
Pension contributions	96,067	93,812
Total staff costs	2,968,566	2,656,045

All employees are eligible for an annual discretionary bonus.

Staff costs include all amounts paid to employees for salaries, cash bonuses, deferred compensation and pension contributions.

The average number of persons employed by the LLP during the period was 26 (2016: 23). On average, this consisted of 8 investment persons and 18 operations persons.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2017****11. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements £	Fixtures & fittings £	Office equipment £	Total £
Cost				
At 31 December 2016	1,507,044	413,244	954,639	2,874,926
Additions	93,352	83,450	105,118	281,920
Disposals	-	-	-	-
At 31 December 2017	<u>1,600,396</u>	<u>496,694</u>	<u>1,059,757</u>	<u>3,156,847</u>
Depreciation				
At 31 December 2016	229,365	109,523	561,944	900,832
Charge for the year	161,223	251,665	88,814	501,702
Disposal	-	-	-	-
At 31 December 2017	<u>390,588</u>	<u>361,188</u>	<u>650,758</u>	<u>1,402,534</u>
Net book value				
At 31 December 2017	<u>1,209,808</u>	<u>135,506</u>	<u>408,999</u>	<u>1,754,313</u>
At 31 December 2016	<u>1,277,679</u>	<u>303,721</u>	<u>392,694</u>	<u>1,974,094</u>

12. FINANCIAL RISK MANAGEMENT**Credit Risk Management**

Credit risk is the possibility that the LLP may suffer a loss from the failure of one of its counterparties to meet their contractual obligations. The LLP is primarily exposed to credit risk in respect of trade receivables and from cash deposits with banks.

Financial assets subject to credit risk are:

	Notes	As at 31 December 2017 £	As at 31 December 2016 £
Cash and cash equivalents	14	1,880,241	5,196,935
Trade Receivables	13	2,148,973	113,685
Total		<u>4,029,214</u>	<u>5,310,620</u>

- i) Ageing and impairment of financial assets according to the contractual due date

Amounts owed by trade receivables relate to advisor fees and fund recharges owed by funds. The ageing profile of amounts owed by the funds at the end of the year are as follows:

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2017****12. FINANCIAL RISK MANAGEMENT (continued)**

	As at 31 December 2017 £	As at 31 December 2016 £
Not older than 30 days	1,574,774	-
Older than 30 days not older than 60 days	180,297	113,685
Older than 60 days not older than 90 days	393,902	-
Total	<u><u>2,148,973</u></u>	<u><u>113,685</u></u>

Amounts not older than 30 days are neither past due nor impaired.

Amounts older than 30 days are past due but not impaired. Factors considered in determining whether impairment has taken place include the deterioration in the credit quality and knowledge of specific events that could influence a debtor's ability to repay an amount due. No impairments were recorded on items exposed to credit risk in either the current or comparative financial periods.

The maximum credit exposure is equivalent to the carrying/fair value of the balances shown.

Market Risk Management

i) Foreign exchange risk

Financial assets subject to foreign exchange risk are:

As at 31 December 2017:

	Notes	Sterling £	US Dollar £	Euro £	Other £	Total £
Cash and cash equivalents	14	1,857,240	9,283	4,296	9,422	1,880,241
Total		1,857,240	9,283	4,296	9,422	1,880,241

As at 31 December 2016:

	Notes	Sterling £	US Dollar £	Euro £	Other £	Total £
Cash and cash equivalents	14	5,160,084	3,707	23,294	9,850	5,196,935
Total		5,160,084	3,707	23,294	9,850	5,196,935

Based on the above data the LLP deems there to be minimal foreign exchange risk and exposure. Less than 1% of all the financial liabilities is held at foreign currency and therefore the LLP does not consider this as a risk.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2017****12. FINANCIAL RISK MANAGEMENT (continued)****Liquidity risk management**

Liquidity risk is the risk that the LLP will not be able to meet its financial obligations as they fall due. The LLP's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances.

i) **Financial assets and liabilities**

The table below analyses the LLP's financial assets and liabilities. The amounts disclosed are the contractual undiscounted cash flows.

Financial assets

	Notes	As at 31 December 2017 £	As at 31 December 2016 £
Cash and cash equivalents	14	1,880,241	5,196,935
Trade and Other Receivables	13	4,164,727	2,870,361
Total		6,044,968	8,067,296

Financial Liabilities

	Notes	As at 31 December 2017 £	As at 31 December 2016 £
Less than 30 days		1,016,377	518,565
Greater than 30 days less than 60 days		487,115	350,287
Greater than 60 days less than 90 days		529	200,538
Greater than 90 days less than 120 days		6,914	103,184
Greater than 120 days		1,186,881	1,523,547
Total	16	2,697,816	2,696,121

The LLP's total financial assets exceed its total financial liabilities in the ratio 2.2:1 (2016: 3.6:1).

ii) **Commitments**a) **Operating leases**

	31 December 2017 £	31 December 2016 £
<u>Plant and machinery</u>		
Lease payments under operating leases recognised as an expense in the year	39,686	38,906

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017
12. FINANCIAL RISK MANAGEMENT (continued)

	31 December 2017	31 December 2016
	£	£
<u>Land and buildings</u>		
Lease payments under operating leases recognised as an expense in the year	1,179,177	1,157,360

At 31 December 2017 the LLP had annual commitments under non-cancellable operating leases as set out below:

<u>Plant and machinery</u>		
Operating leases which expire:		
Within two to five years	39,656	36,898
In greater than five years	-	-
	<u>-</u>	<u>-</u>
<u>Land and building</u>		
Operating leases which expire:		
Within one year	-	-
Greater than five years	1,212,143	1,212,143
	<u>1,212,143</u>	<u>1,212,143</u>

Capital management

The LLP uses its capital to support the growth of the business, to provide it with a cushion to shield it from adverse market conditions and to ensure that it is at all times able to meet its regulatory capital requirements.

The LLP has been in compliance with the minimum regulatory capital requirements set by the Financial Conduct Authority at all the times during the year.

Once these requirements have been met, available capital may be used to make profit distributions to members.

13. TRADE AND OTHER RECEIVABLES

	31 December 2017	31 December 2016
	£	£
Trade receivables	2,148,973	113,685
Prepayments and accrued income	1,672,673	2,151,742
Other receivables	24,951	432,727
VAT Receivable	318,130	172,207
Total amounts falling due within one year	<u>4,164,727</u>	<u>2,870,361</u>

14. CASH AND CASH EQUIVALENTS

	31 December 2017	31 December 2016
	£	£
Cash at bank and in hand	1,880,241	5,196,935
Total cash and cash equivalents	<u>1,880,241</u>	<u>5,196,935</u>

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2017****15. CASH GENERATED FROM OPERATIONS**

	31 December 2017 £	31 December 2016 £
Continuing operations		
Operating profit for the period	14,250,521	13,622,399
Adjustments for:		
Depreciation	501,702	505,799
Changes in working capital:		
Increase in trade and other receivables	(1,294,366)	(368,114)
Increase in trade and other payables	1,695	858,248
	<u>(1,292,671)</u>	<u>490,134</u>
Cash generated from operations	<u>13,459,552</u>	<u>14,618,332</u>

16. TRADE AND OTHER PAYABLES

	31 December 2017 £	31 December 2016 £
Trade payables	326,629	264,366
Accruals and other payables	1,933,687	1,830,447
Other tax and social security payable	437,500	601,308
Total trade and other payables due within one year	<u>2,697,816</u>	<u>2,696,121</u>

17. PENSIONS

The LLP operates a defined contribution scheme with £96,067 (2016: £93,812) being charged to the Income Statement in respect of pension costs.

As at 31 December 2017 an accrual of £14,962 (2016: £11,949) has been recognised in the balance, being the difference between contributions payable in the year and contributions actually paid.

18. RELATED PARTY TRANSACTIONS

During the year no related party transactions occurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

19. COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are comprised of Designated Members of the LLP, as defined in the Member's Agreement dated 30 June 2015 and representing those with exclusive responsibility for the management and control of the business and the affairs of the LLP. Compensation, which includes income entitlement and profit allocation, is set out in aggregate below.

	31 December 2017	31 December 2016
	£	£
Members' income entitlement and profit allocation	6,980,210	6,506,261
Healthcare	39,355	24,921

The average number of members comprising of Key Management Personnel during the year was 6 (2016: 7).

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the principal member, J S Giannamore.