

## **AnaCap Financial Partners LLP**

Report and Financial Statements  
For the year ended 31 December 2016



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**OFFICERS AND PROFESSIONAL ADVISERS**

**Designated Members**

P B Cartwright  
F Cesario  
M Edwards  
J S Giannamore  
A Hilkene  
C Patrick  
J Sulger

**Auditor**

Deloitte LLP  
Chartered Accountants  
Hill House, 1 Little New Street  
London  
EC4A 3TR

**Bankers**

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

**Registered Office**

9 & 10<sup>th</sup> 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 2016.

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 £7,648,103 (2015: 5,433,122).

### **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  
F Cesario  
M Edwards  
J S Giannamore  
A Hilken  
C Patrick  
J Sulger

### **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

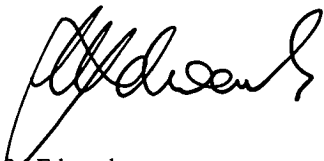
Each of the persons who is a Designated Member at the date of approval of this report confirms that:

- 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.

Deloitte LLP 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  
21 April 2017

## MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with International Financial Standards (IFRSs) as adopted by the European Union. The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the firm's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, members are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm 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**

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

We have audited the financial statements of AnaCap Financial Partners LLP ("the LLP") for the year ended 31 December 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Members Interests, the Cash Flow Statement and the related notes 1 to 21. 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.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of 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 limited liability 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.

**Respective responsibilities of members and auditor**

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. 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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**

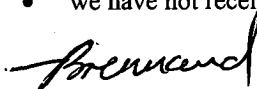
In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2016 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 as applied to limited liability partnerships.

**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 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



Theo Brennand (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
Date: 21 April 2017

**INCOME STATEMENT****For the year ended 31 December 2016**

	Notes	Year ended 31 December 2016 £	Year ended 31 December 2015 £
<b>REVENUE</b>	<b>4</b>	22,072,981	19,880,568
Foreign exchange gains	<b>8</b>	5,399	470
Administrative expenses		(8,455,981)	(9,025,030)
<b>OPERATING PROFIT</b>	<b>5</b>	13,622,399	10,856,008
Gain on sale of investment	<b>9</b>	8,754	-
Finance Income	<b>7</b>	789	1,371
Finance Expense	<b>7</b>	(10,323)	
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE</b>		13,621,619	10,857,379
Members' remuneration charged as an expense		(5,973,516)	(5,424,257)
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY PROFIT SHARE AMONG MEMBERS</b>		7,648,103	5,433,122

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 11 to 21 form part of these accounts.



**BALANCE SHEET**

**As at 31 December 2016**

	Notes	31 December 2016 £	31 December 2015 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	1,974,094	2,247,919
Investment in subsidiary undertaking	6	-	200
<b>Total non-current assets</b>		<b>1,974,094</b>	<b>2,248,119</b>
<b>Current Assets</b>			
Trade and other receivables	13	2,870,361	2,502,247
Cash and cash equivalents	14	5,196,935	2,888,945
<b>Total current assets</b>		<b>8,067,296</b>	<b>5,391,192</b>
<b>TOTAL ASSETS</b>		<b>10,041,390</b>	<b>7,639,311</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	16	(2,696,121)	(1,837,873)
<b>Total current liabilities</b>		<b>(2,696,121)</b>	<b>(1,837,873)</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<b>7,345,269</b>	<b>5,801,438</b>
<b>REPRESENTED BY:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability under IAS 32		230,798	230,698
<b>Equity</b>			
Members' other interests - Other reserves classified as equity under IAS 32		7,114,471	5,570,740
		<b>7,345,269</b>	<b>5,801,438</b>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members		230,798	230,698
Members' other interests		7,114,471	5,570,740
		<b>7,345,269</b>	<b>5,801,438</b>

**BALANCE SHEET (continued)**  
**As at 31 December 2016**

The financial statements on pages 6 to 20 were approved by the members on 21 April and signed on their behalf by:



M Edwards  
Designated Member

The notes on pages 11 to 21 form part of these accounts.

**STATEMENT OF CHANGES IN MEMBERS' INTERESTS****For the year ended 31 December 2016**

	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	<u>13,218,843</u>	<u>6,204,214</u>	<u>19,423,057</u>
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	<u>7,114,471</u>	<u>230,798</u>	<u>7,345,269</u>
<b>Balance at 31 December 2016</b>	<b><u>7,114,471</u></b>	<b><u>230,798</u></b>	<b><u>7,345,269</u></b>

	Members' other interests - Other reserves	Loans and other debts due to members less any amounts due from members	2015 Total members' interests
	£	£	£
Balance at 1 January 2015	3,125,298	230,498	3,355,796
Members' remuneration charged as an expense	-	5,424,257	5,424,257
Profit for the year available for discretionary division among members	5,433,122	-	5,433,122
Members' interests after profit for the year	<u>8,558,420</u>	<u>5,654,755</u>	<u>14,213,175</u>
Other divisions of profits	(2,987,680)	2,987,680	-
Introduction of member's capital	-	600	600
Capital repaid to members	-	(400)	(400)
Drawings	-	(8,411,937)	(8,411,937)
Profit for the period available for the profit share among members	<u>5,570,740</u>	<u>230,698</u>	<u>5,801,438</u>
<b>Balance at 31 December 2015</b>	<b><u>5,570,740</u></b>	<b><u>230,698</u></b>	<b><u>5,801,438</u></b>

The notes on pages 11 to 21 form part of these accounts

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**CASH FLOW STATEMENT**  
**For the year ended 31 December 2016**

	Notes	31 December 2016 £	31 December 2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	15	14,618,332	11,700,376
<b>Net cash generated from operating activities</b>		<u>14,618,332</u>	<u>11,700,376</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	11	(231,974)	(2,306,915)
Proceeds received from investment	9	8,954	-
<b>Net cash used in investing activities</b>		<u>(223,020)</u>	<u>(2,306,915)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Introduction of members capital		100	200
Interest Income / (Expense)	7	(9,534)	1,371
Members drawings		(12,077,888)	(8,411,937)
<b>Net cash used in financing activities</b>		<u>(12,087,322)</u>	<u>(8,410,366)</u>
<b>Net increase in cash</b>		<u>2,307,990</u>	<u>983,095</u>
Cash at the beginning of the year		<u>2,888,945</u>	<u>1,905,850</u>
<b>Cash at the end of the year</b>		<u><u>5,196,935</u></u>	<u><u>2,888,945</u></u>

The notes on pages 11 to 21 form part of these accounts

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2016**

**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 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

<p>Amendments to IAS 1 Disclosure Initiative</p>	<p>The LLP has adopted the amendments to IAS 1 Disclosure Initiative for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.</p> <p>The amendments also address the structure of the financial statements by providing examples of systematic ordering or Companying of the notes.</p> <p>The adoption of these amendments has not resulted in any impact on the financial performance or financial position of the LLP.</p>
<p>Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation</p>	<p>The LLP has adopted the amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation for the first time in the current year. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:</p> <ul style="list-style-type: none"> <li>a) when the intangible asset is expressed as a measure of revenue; or</li> <li>b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.</li> </ul> <p>As the LLP already uses the straight-line method for depreciation and amortisation for its property, plant and equipment and intangible assets, respectively, the adoption of these amendments has had no impact on the LLP's consolidated financial statements.</p>
<p>Annual Improvements to IFRSs 2012-2014 Cycle</p>	<p>The LLP has adopted the amendments to IFRSs included in the Annual Improvements to IFRSs 2012-2014 Cycle for the first time in the current year.</p> <p>The adoption of these amendments has had no effect on the LLP's consolidated financial statements.</p>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2016**

**1. ADOPTION OF NEW AND REVISED STANDARDS (continued)**

**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
IAS 7 (amendments)	Disclosure Initiative

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.

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

**Investments**

The LLP's sole investment is held at cost less impairment.

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2016**

**2. ACCOUNTING POLICIES (continued)**

**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 2016****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 2016	Year ended 31 December 2015
	£	£
Depreciation- Property, plant and equipment	505,799	490,330
Audit and non-audit fees:		
Fee payable to the LLP's auditor for the audit of the financial statements	19,205	16,000
Taxation and Compliance services	23,478	40,438
Other services	24,719	2,625
<b>Total Auditor's remuneration</b>	<b>67,402</b>	<b>59,063</b>
Staff costs	2,656,045	2,556,754
Operating lease costs:		
– land and buildings	1,157,360	1,106,884
– plant and machinery	38,906	37,522



**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2016****6. PARTICULARS OF MEMBERS**

The average number of members for the year was 29 (2015: 28). 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, four additional non-designated members were admitted to the partnership and three 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.

AnaCap FP Limited, a non-designated corporate member of the LLP, was liquidated on 25<sup>th</sup> April 2016. The LLP was the sole shareholder of AnaCap FP Ltd, with a holding of 200 £1 ordinary shares and received £8,954 of residual profits upon its liquidation.

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

**7. FINANCE INCOME**

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Interest on cash and cash equivalents	789	1,371
Finance costs	(10,323)	
<b>Total finance income</b>	<b>(9,534)</b>	<b>1,371</b>

**8. FOREIGN EXCHANGE GAINS**

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Net foreign exchange differences recognised	5,399	470
<b>Total foreign exchange gains/ (losses)</b>	<b>5,399</b>	<b>470</b>

**9. INVESTMENT GAINS**

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Net investment gains recognised	8,754	-
<b>Total investment gains</b>	<b>8,754</b>	<b>-</b>

Investment gains relate to the residual profits returned upon liquidation of AnaCap FP Limited, as detailed in Note 5.

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2016****10. STAFF COSTS**

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Wages and salaries (includes cash and deferred bonuses)	2,270,994	2,181,238
Social Security costs	291,239	287,249
Pension contributions	93,812	88,267
<b>Total staff costs</b>	<b>2,656,045</b>	<b>2,556,754</b>

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 23 (2015: 24). On average, this consisted of 7 investment persons and 16 operations persons.

**11. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>				
At 31 December 2015	1,638,732	434,903	2,291,496	4,365,131
Additions	73,170	3,786	155,018	231,974
Disposals	(204,858)	(25,445)	(1,491,875)	(1,722,179)
At 31 December 2016	1,507,044	413,244	954,639	2,874,926
<b>Depreciation</b>				
At 31 December 2015	280,910	53,548	1,782,755	2,117,212
Charge for the year	153,314	81,420	271,065	505,799
Disposal	(204,858)	(25,445)	(1,491,875)	(1,722,179)
At 31 December 2016	229,365	109,523	561,944	900,832
<b>Net book value</b>				
At 31 December 2016	<b>1,277,679</b>	<b>303,721</b>	<b>392,694</b>	<b>1,974,094</b>
At 31 December 2015	1,357,822	381,356	508,741	2,247,919

**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.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2016

#### 12. FINANCIAL RISK MANAGEMENT (continued)

Financial assets subject to credit risk are:

	Notes	As at 31 December 2016 £	As at 31 December 2015 £
Cash and cash equivalents	14	5,196,935	2,888,945
Trade Receivables	13	113,685	1,343,685
<b>Total</b>		<b>4,979,870</b>	<b>4,232,630</b>

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

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

	As at 31 December 2016 £	As at 31 December 2015 £
Not older than 30 days	-	1,251,120
Older than 30 days not older than 60 days	113,685	92,565
<b>Total</b>	<b>113,685</b>	<b>1,343,685</b>

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 and all outstanding amounts were received on 23<sup>rd</sup> February 2017.

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 2016:

	Notes	Sterling £	US Dollar £	Euro £	Other £	Total £
Cash and cash equivalents	14	5,160,084	3,707	23,294	9,850	4,866,185
<b>Total</b>		<b>5,160,084</b>	<b>3,707</b>	<b>23,294</b>	<b>9,850</b>	<b>4,866,185</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2016**
**12. FINANCIAL RISK MANAGEMENT (continued)**

As at 31 December 2015:

	Notes	Sterling £	US Dollar £	Euro £	Other £	Total £
Cash and cash equivalents	14	2,866,937	5,696	8,848	7,465	2,888,945
<b>Total</b>		<b>2,866,937</b>	<b>5,696</b>	<b>8,848</b>	<b>7,465</b>	<b>2,888,945</b>

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.

**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 2016 £	As at 31 December 2015 £
Cash and cash equivalents	14	5,196,935	2,888,945
Trade and Other Receivables	13	2,870,361	2,502,247
<b>Total</b>		<b>8,067,296</b>	<b>5,391,192</b>

## Financial Liabilities

	Notes	As at 31 December 2016 £	As at 31 December 2015 £
Less than 30 days		518,565	1,015,186
Greater than 30 days less than 60 days		350,287	(10,656)
Greater than 60 days less than 90 days		200,538	318
Greater than 90 days less than 120 days		103,184	(1,648)
Greater than 120 days		1,523,547	834,673
<b>Total</b>	<b>16</b>	<b>2,696,121</b>	<b>1,837,873</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2016**

The LLP's total financial assets exceed its total financial liabilities in the ratio 3.6:1 (2015: 2.9:1).

ii) Commitments

a) Operating leases

	31 December 2016 £	31 December 2015 £
<u>Plant and machinery</u>		
Lease payments under operating leases recognised as an expense in the year	<u>38,906</u>	<u>37,522</u>
	31 December 2016 £	31 December 2015 £
<u>Land and buildings</u>		
Lease payments under operating leases recognised as an expense in the year	<u>1,157,360</u>	<u>1,106,884</u>

At 31 December 2016 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	36,898	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	<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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2016**
**13. TRADE AND OTHER RECEIVABLES**

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
Trade receivables	113,685	1,343,685
Prepayments and accrued income	2,151,742	648,638
Other receivables	432,727	128,477
VAT Receivable	172,207	381,447
Total amounts falling due within one year	<u><b>2,870,361</b></u>	<u><b>2,502,247</b></u>

**14. CASH AND CASH EQUIVALENTS**

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	5,196,935	2,888,945
Total cash and cash equivalents	<u><b>5,196,935</b></u>	<u><b>2,888,945</b></u>

**15. CASH GENERATED FROM OPERATIONS**

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
<b>Continuing operations</b>		
Operating profit for the period	13,622,399	10,856,008
Adjustments for:		
Depreciation	505,799	490,330
Changes in working capital:		
Increase in trade and other receivables	(368,114)	(341,333)
Increase in trade and other payables	858,248	695,371
	<u>490,134</u>	<u>354,038</u>
<b>Cash generated from operations</b>	<u><b>14,618,332</b></u>	<u><b>11,700,376</b></u>

**16. TRADE AND OTHER PAYABLES**

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
Trade payables	264,366	372,815
Accruals and other payables	1,830,447	1,133,885
Other tax and social security payable	601,308	331,173
Total trade and other payables due within one year	<u><b>2,696,121</b></u>	<u><b>1,837,873</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2016**

**17. PENSIONS**

The LLP operates a defined contribution scheme with £93,812 (2015: £88,267) being charged to the Income Statement in respect of pension costs.

As at 31 December 2016 an accrual of £11,949 (2015: £13,966) 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.

**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.

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>£</b>	<b>£</b>
Members' income entitlement and profit allocation	6,506,261	4,573,794
Healthcare	24,921	15,199

The average number of members comprising of Key Management Personnel during the year was 7 (2015: 5).

**20. SUBSEQUENT EVENT**

Fabrizio Cesario will cease to be a designated member of the LLP on 15 April 2017.

**21. ULTIMATE CONTROLLING PARTY**

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