

**RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**



# RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D M Harkins J Hattesoht J Macha K F Sherrerd C R W Aram
<b>Secretary</b>	D M Harkins
<b>Company number</b>	08200028
<b>Registered office</b>	Tricor Suite 4th Floor 50 Mark Lane London United Kingdom EC3R 7QR
<b>Auditor</b>	Ernst & Young LLP Statutory auditor 25 Churchill Place Canary Wharf London E14 5EY

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# RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED

## CONTENTS

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	Page
Balance sheet	1
Notes to the financial statements	2 - 6

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# RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

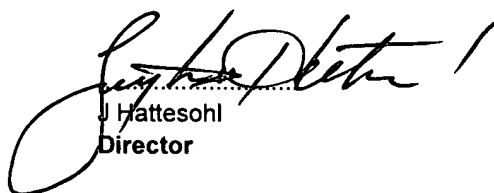
	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	5		2,560		5,006
<b>Current assets</b>					
Debtors	6	135,467		242,580	
Cash at bank and in hand		778,908		679,513	
		<u>914,375</u>		<u>922,093</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(511,223)</u>		<u>(632,339)</u>	
<b>Net current assets</b>			403,152		289,754
<b>Total assets less current liabilities</b>			<u>405,712</u>		<u>294,760</u>
<b>Capital and reserves</b>					
Called up share capital	9		25,000		25,000
Profit and loss reserves			380,712		269,760
<b>Total equity</b>			<u>405,712</u>		<u>294,760</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS102 Section 1A - small entities.

27 APRIL 2017

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

  
J Hatteso  
Director

Company Registration No. 08200028

# RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

Research Affiliates Global Advisors (Europe) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tricor Suite, 4th Floor, 50 Mark Lane, London, EC3R 7QR.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The company has taken advantage of the exemption available to small companies from the requirement to prepare a cash flow statement.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention and on a going concern basis. The principal accounting policies adopted are set out below.

The Financial Reporting Council has issued a revised suite of Financial Reporting Standards to be applied to entities domiciled in the United Kingdom for financial reporting periods commencing on or after 1 January 2015. Therefore, for the current financial year, the financial statements of the company have been prepared for the first time in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). This standard replaces all extant UK GAAP financial reporting standards previously applied by the company.

In accordance with the transition provisions of FRS 102, all comparable information presented in these financial statements has also been prepared in accordance with FRS 102. FRS 102 requires the company to explain how the transition from previous UK GAAP to FRS 102 has impacted the financial position and financial performance reported in previous financial statements. However, the Members note that the adoption of FRS 102 has not resulted in any change to the previously reported financial results or financial position of the company. As a result, no such reconciliations have been prepared for the company.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover, which is stated net of any value added tax, is recognised on a accruals basis when the company obtains the right for consideration in exchange for its performance of services. Turnover comprises of the reimbursement of expenses incurred by the company on behalf of Research Affiliates, LLC plus 10% and arises from continuing activities in the UK.

#### **1.4 Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on Computer Equipment is provided at 33% straight line.

# RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.5 Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss.

#### 1.6 Taxation

Tax (current and deferred) is recognised in the profit and loss account, except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the equity (in which case the tax is recognised alongside this balance).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the statement of the financial position date and any adjustment to tax payable in respect of the previous years. Taxable income is different from accounting profit as it takes account of timing differences between the different treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 1.7 Retirement benefits

The company operates a defined contribution pension scheme for employees. Contributions payable to the company's pension scheme are charged to the profit and loss account on an accruals basis in the period to which they relate.

#### 1.8 Leases

Rentals payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on an accrual basis against profits on a straight line basis over the lease term.

#### 1.9 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss.

### 2 Judgements and key sources of estimation uncertainty

No significant judgements or estimates have had to be made by the directors in preparing these financial statements.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2015 - 4).

# RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Directors' remuneration

	2016 £	2015 £
Remuneration paid to directors	475,670	605,941

### 5 Tangible fixed assets

	Computer Equipment £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	7,339
<b>Depreciation</b>	
At 1 January 2016	2,333
Depreciation charged in the year	2,446
At 31 December 2016	4,779
<b>Carrying amount</b>	
At 31 December 2016	2,560
At 31 December 2015	5,006

### 6 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Amounts due from group undertakings	6,854	-
Other debtors	99,372	235,510
VAT receivable	14,816	5,765
Prepayments	14,425	1,305
	135,467	242,580

Other debtors include a balance of £82,735 (2015: £217,963) in relation to amounts held in escrow with a third party service provider to facilitate the settlement of the company's accounts payable and payroll obligations.

# RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 7 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	11,639	4,593
Amounts due to group undertakings	-	275,708
Corporation tax payable	33,163	29,893
Other taxation and social security	29,410	112,381
Other creditors	9,499	3,617
Accruals	427,512	206,147
	<u>511,223</u>	<u>632,339</u>

### 8 Retirement benefit schemes

	2016 £	2015 £
Charge to profit or loss in respect of defined contribution schemes	<u>53,216</u>	<u>21,040</u>

One director was accruing benefits under a defined contribution pension scheme at 31 December 2016 and the pension contributions made by the company during the year in respect of qualifying services amounted to £37,177 (2015: £13,554).

### 9 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

### 10 Audit report information

As the profit and loss account has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.  
The senior statutory auditor was Neil Parker.  
The auditor was Ernst & Young LLP.

### 11 Events after the reporting date

The existing lease expired during the year and the directors are negotiating the terms for a new lease which has not yet been signed as at the date of signing of the financial statements.



# RESEARCH AFFILIATES GLOBAL ADVISORS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **12 Parent company**

#### **Ultimate parent company**

Research Affiliates Global Holdings, LLC (incorporated in USA) is regarded by the directors as being the company's ultimate parent company.

The consolidated accounts of Research Affiliates Global Holdings, LLC are not publicly available.

#### **Ultimate controlling party**

The Arnott Family Trust owns 100% of the voting rights of Research Affiliates Global Holdings, LLC, the company's ultimate parent company and the trustees of The Arnott Family Trust are considered the ultimate controlling party of the company.