

Registration number: OC307424

**ARMA PARTNERS LLP
REPORT AND ACCOUNTS**

For the year ended

31 MARCH 2012



ARMA PARTNERS LLP

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ARMA PARTNERS LLP

DESIGNATED MEMBERS AND ADVISERS

Designated members

P N Guély
J Meehan
J Schroder
T G Wells
A E Lawson-Smith
A Pieczanski

Registered office

16 Berkeley Square
London
W1J 8DZ

Bankers

HSBC plc
90 Baker Street
London
W1U 6AX

Auditors

Nexia Smith & Williamson
Chartered Accountants
25 Moorgate
London
EC2R 6AY

Registered number

OC307424

ARMA PARTNERS LLP

MEMBERS' REPORT

The members present their report and the accounts for the year ended 31 March 2012

Activities

The principal activity of the LLP continues to be the provision of corporate advisory services as authorised by the Financial Services Authority. The registered number of the LLP is OC307424

Review of business

In the opinion of the members the state of the LLP's affairs at 31 March 2012 is satisfactory and they look forward to the future with confidence

Results for the year and allocation to members

The profit for the year available for distribution to members was £1,861,132 (2011: £4,567,412)

Designated members

The following were designated members during the year

P N Guély
J Meehan
J Schroder
T G Wells
A E Lawson-Smith
A Pieczanski (appointed 6th April 2011)

Policy with respect to members drawings and subscription and repayment of members' capital

The members participate fully in the profits, share the risks and subscribe to the capital of the LLP

Members receive drawings by way of regular monthly payments but take into account the need to maintain sufficient funds to finance working capital and other needs of the business. The final division of profits to members is made once the annual accounts are approved

No member has the right to withdraw any amounts from capital except in accordance with the LLP deed or, with the consent of the managing member, when they cease to be a member or upon winding up of the LLP subject to regulatory capital requirements. On winding-up, after payment of all money due to the creditors of the LLP and all expense of the winding up, the surplus sum is payable to the members in accordance with their share of capital

The members' interests in the capital and profits of Arma Partners LLP are disclosed on page 9. The members are entitled to interest on the capital subscribed, this is included within members' remuneration charged as an expense

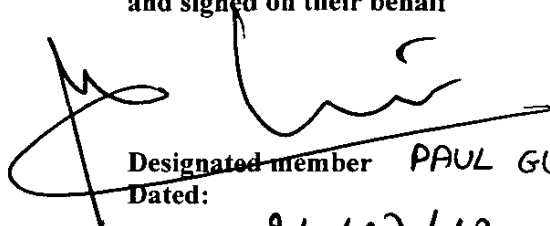
ARMA PARTNERS LLP

MEMBERS' REPORT (continued)

Auditors

A resolution to reappoint Nexia Smith & Williamson as auditors will be proposed at the next members' meeting

Approved by the members
and signed on their behalf



Designated member PAUL GUÉLY
Dated: 24/07/12

ARMA PARTNERS LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The members are responsible for preparing the Members' Report and the accounts in accordance with applicable law and regulations

Company law as applied to limited liability partnerships requires the members to prepare accounts for each financial year. Under that law the members have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to LLPs the members must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMA PARTNERS LLP

We have audited the accounts of Arma Partners LLP for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Members' Interests, the Cash Flow Statement and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs 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 LLP'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 LLP and the LLP'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 Statement of Members' Responsibilities, set out on page 5, the members are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the LLP's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 LLPs 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 accounts 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.

Nexia Smith & Williamson

Sancho Simmonds
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date 25 July 2012

ARMA PARTNERS LLP**PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2012**

	Notes	2012 £	2011 £
Turnover	1, 2	7,278,200	9,777,358
Operating expenses		(5,428,137)	(5,214,259)
Operating profit	3	1,850,063	4,563,099
Interest receivable	5	14,241	10,068
Profit for the financial year before members' remuneration and profit shares		1,864,304	4,573,167
Members' remuneration charged as an expense		(3,172)	(5,755)
Profit for the financial year available for discretionary division among members		1,861,132	4,567,412

All of the LLP's operations are classed as continuing. There were no gains or losses in either year other than those included in the above profit and loss account.

ARMA PARTNERS LLP

BALANCE SHEET as at 31 MARCH 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible fixed assets	8	155,756	226,678
Current assets			
Debtors	9	2,476,261	1,626,027
Cash at bank		1,535,826	5,527,652
		4,012,087	7,153,679
Creditors: amounts falling due within one year	10	(996,979)	(1,927,627)
Net current assets		3,015,108	5,226,052
Net assets attributable to members		3,170,864	5,452,730
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability under FRS 25		1,309,732	885,318
		1,309,732	885,318
Equity			
Members' other interests – other reserves classified as equity under FRS 25		1,861,132	4,567,412
		3,170,864	5,452,730
Total members' interests			
Amounts due from members		(582,348)	(715,201)
Members' capital classified as a liability under FRS 25		1,309,732	885,318
Members' other interests		1,861,132	4,567,412
		2,588,516	4,737,529

The accounts were approved by the members on 24/07/12 and were signed on its behalf by

Designated member

PAUL GUÉLY

ARMA PARTNERS LLP

RECONCILIATION OF MEMBERS' INTERESTS for the year ended 31 MARCH 2012

	Members' equity interest		Loans and other debts due to members		
	Other reserves £	Total £	Members' capital classified as a liability £	Other amounts £	Total £
Amounts due from members			-	(715,201)	(715,201)
Amounts due to members			885,318	-	885,318
Members' interests at 1 April 2011	4,567,412	4,567,412	885,318	(715,201)	4,737,529
Capital contributions	-	-	424,414	(40,929)	383,485
Members' remuneration charged as an expense	-	-	-	3,172	3,172
Profit for the financial year available for division among members	1,861,132	1,861,132	-	-	1,861,132
Allocation of profits	(4,567,412)	(4,567,412)	-	4,567,412	-
Drawings	-	-	-	(4,396,802)	(4,396,802)
Amounts due to members			1,309,732	-	1,309,732
Amounts due from members			-	(582,348)	(582,348)
Members' interests at 31 March 2012	1,861,132	1,861,132	1,309,732	(582,348)	2,588,516

ARMA PARTNERS LLP

CASH FLOW STATEMENT for the year ended 31 MARCH 2012

	Notes	2012 £	2011 £
Net cash inflow from operating activities	a	32,609	4,531,173
Returns on investments and servicing of finance			
Interest received		14,241	10,068
Capital expenditure			
Payments to acquire tangible fixed assets		(25,359)	(85,180)
Transactions with members			
Capital repayments to members		-	(187,789)
Capital contributed by members		383,485	296,769
Members drawings		(4,396,802)	(2,264,348)
Net cash outflow from transactions with members		(4,013,317)	(2,155,368)
(Decrease)/increase in cash in the year	b, c	(3,991,826)	2,300,693

ARMA PARTNERS LLP

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 MARCH 2012

a	Reconciliation of operating profit to net cash inflow from operating activities	2012 £	2011 £	
	Operating profit	1,850,063	4,563,099	
	Depreciation	96,281	86,004	
	Decrease in debtors	(983,087)	(188,981)	
	(Decrease)/increase in creditors	(930,648)	71,051	
		<hr/>	<hr/>	
	Net cash inflow from operating activities	32,609	4,531,173	
		<hr/>	<hr/>	
b	Reconciliation of net cash flow to movement in net funds	2012 £	2011 £	
	(Decrease)/increase in cash in the year	(3,991,826)	2,300,693	
	Net funds at 1 April	5,527,652	3,226,959	
		<hr/>	<hr/>	
	Net funds at 31 March	1,535,826	5,527,652	
		<hr/>	<hr/>	
c	Analysis of change in net funds	At 1 April 2011 £	Cash flow £	At 31 March 2012 £
	Cash at bank	5,527,652	(3,991,826)	1,535,826

ARMA PARTNERS LLP

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2012

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by limited liability partnerships'. A summary of the more significant accounting policies adopted are described below

Basis of accounting

The accounts have been prepared under the historical cost convention

Fixed assets

Depreciation is provided on cost, less estimated residual value, in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used

Fixtures and fittings	-	4 years
Office equipment	-	4 years
Computer equipment	-	3 years

Capital, allocation of profits and drawings

Each member's capital account includes the amount initially contributed by the member to the LLP and any subsequent capital contributions. As outgoing members are entitled to the return of the credit of their capital account, these balances have been classified as a liability under FRS 25

No member has the right to withdraw any amounts from capital except, with the consent of the managing member, when they cease to be a member or upon winding up of the LLP subject to regulatory capital requirements. On winding-up, after payment of all money due to the creditors of the LLP and all expense of the winding up, the surplus sum is payable to the members in accordance with their share of capital

Members receive drawings by way of regular monthly payments but take into account the need to maintain sufficient funds to finance working capital and other needs of the business. The final division of profits to members is made once the annual accounts are approved. As profits for the year are therefore undivided as at the balance sheet date, these amounts are classified as equity under FRS 25

Members are entitled to interest on the capital subscribed, this is included within member's remuneration charged as an expense

Pensions

Members of Arma Partners LLP are required to make their own provision for pensions by contributing to personal pension plans. The LLP participates in a defined contributions pension scheme for the benefit of its employees. Contributions payable to the defined contribution scheme in respect of the accounting year are charged to the profit and loss account

Leases

Rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the lease term. Any benefit arising from lease incentives, such as rent-free periods, is recognised as a reduction of rental expenses over the lease term

ARMA PARTNERS LLP

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2012 (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions denominated in a foreign currency are translated into Sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the profit and loss account.

Turnover

Turnover represents fees receivable and recoverable expenses, net of VAT, for corporate advisory services during the year. Retainer fees are recognised when they become recoverable and any success fees which are contingent on the success of a deal are recognised when the deal completes.

Taxation

Members are personally liable for taxation on the share of their profits. Consequently no reserve for taxation is made in these accounts.

2 Turnover	2012	2011
	£	£
United Kingdom	3,862,415	6,160,018
Overseas	3,415,785	3,617,340
	<hr/>	<hr/>
	7,278,200	9,777,358
	<hr/>	<hr/>
3 Operating profit is stated after charging	2012	2011
	£	£
Depreciation	96,281	86,004
Foreign exchange loss	81,651	74,271
Operating lease costs		
- Land and buildings	198,693	217,296
	<hr/>	<hr/>
4 Auditor's remuneration	2012	2011
	£	£
Fees payable to the auditor for the audit of the accounts	12,875	12,875
	<hr/>	<hr/>
Fees payable to the auditor for other services to the LLP		
Services relating to taxation	8,175	13,095
All other services	3,500	13,500
	<hr/>	<hr/>

ARMA PARTNERS LLP

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2012 (continued)

5	Interest receivable	2012 £	2011 £
	Bank and other interest receivable	14,241	10,068
6	Information in relation to members	2012 Number	2011 Number
	The average number of members during the year was	6	5
	Profits are divided among the members in accordance with established profit sharing arrangements		
		£	£
	The amount of profit attributable to the member with the largest entitlement was	846,623	1,361,602
7	Employee information		
	The average number of persons employed by the LLP during the year was		
		2012 Number	2011 Number
	Advisory	21	16
	Administration	5	3
		26	19
		£	£
	Wages and salaries	2,450,259	2,593,167
	Social security costs	302,420	347,672
	Pension costs	27,678	6,713
		2,780,357	2,947,552

ARMA PARTNERS LLP

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2012 (continued)

8 Tangible fixed assets

	Computer equipment £	Office equipment £	Fixtures & fittings £	Total £
Cost				
At 1 April 2011	204,262	279,318	199,370	682,950
Additions	19,949	2,880	2,530	25,359
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2012	224,211	282,198	201,900	708,309
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2011	160,189	173,273	122,810	456,272
Charge for the year	28,310	41,946	26,025	96,281
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2012	188,499	215,219	148,835	552,553
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2012	35,712	66,979	53,065	155,756
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	44,073	106,045	76,560	226,678
	<hr/>	<hr/>	<hr/>	<hr/>

ARMA PARTNERS LLP

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2012 (continued)

9	Debtors	2012 £	2011 £
	Trade debtors	1,245,991	101,941
	Amounts due from members	582,348	715,201
	Other debtors	-	160,917
	Prepayments	161,903	125,086
	Amounts due from related parties	486,019	522,882
		<hr/>	<hr/>
		2,476,261	1,626,027
		<hr/>	<hr/>

10	Creditors: amounts falling due within one year	2012 £	2011 £
	Trade creditors	172,911	76,542
	Other creditors including social security and taxation	71,380	68,693
	Accruals and deferred income	752,688	1,709,233
	Amounts due to related parties	-	73,159
		<hr/>	<hr/>
		996,979	1,927,627
		<hr/>	<hr/>

11 Operating lease commitments

At 31 March 2012 the LLP had annual commitments under a non-cancellable operating lease as set out below

	Land and buildings	
	2012 £	2011 £
For leases expiring		
Between two and five years	265,000	265,000
	<hr/>	<hr/>

12 Related parties

Included within the results for the year is an amount of £486,019 (2011 £449,723) owed by Arma Partners LP to Arma Partners LLP. This represents the net amount of services provided by Arma Partners LLP to Arma Partners LP. The members of Arma Partners LLP are all shareholders of Arma Partners LP.

13 Contingent liabilities

At 31 March 2012 the LLP had no contingent liabilities (2011 £nil).