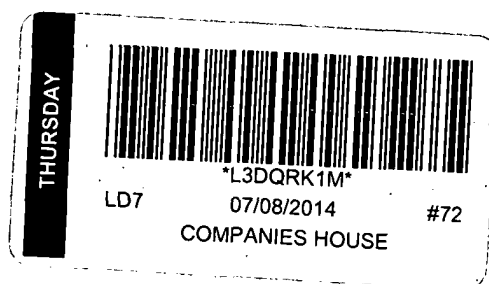


**Registered Number: OC307424**

**ARMA PARTNERS LLP**

**Report and consolidated accounts  
for the year ended**

**31 March 2014**



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**ARMA PARTNERS LLP**  
**DIRECTORS AND ADVISERS**

**Members**

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

**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

**LLP's registered number**

OC307424

## **ARMA PARTNERS LLP**

### **MEMBERS' REPORT**

The members present their report and the accounts for the year ended 31 March 2014.

#### **Registered number**

The LLP's registered number is OC307424.

#### **Activities**

The principal activity of the group continues to be the provision of corporate advisory services as authorised by the Financial Conduct Authority.

#### **Business review**

In the opinion of the members the state of the LLP's affairs at 31 March 2014 is satisfactory and they look forward to the future with confidence.

#### **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

W M Barber

#### **Members drawings and the 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 interim drawings by way of regular monthly payments as an advance of their distributions 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 when they cease to be a member, or with the consent of the managing member 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 proportion to the amounts standing to the credit of their capital contribution accounts and any surplus to be distributed to the managing member.

The members' interests in the capital and profits of Arma Partners LLP are disclosed on pages 9 – 10. The members are entitled to interest on the capital subscribed; this is included within members' remuneration charged as an expense.

#### **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**



**John Meehan**

**Designated member**

## **ARMA PARTNERS LLP**

### **MEMBERS' RESPONSIBILITIES STATEMENT**

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

Company law as applied to LLPs 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the group and of the profit or loss of the group for that period.

In preparing these accounts, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the LLP and group 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 as applied to LLPs. They are also responsible for safeguarding the assets of the LLP and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the designated members on behalf of the members.

# 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 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Gains and Losses, the Consolidated and Parent Entity Reconciliations of Members Interests, and the related notes 1 to 18. 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) (Applications 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 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 Members' Responsibilities Statement set out on page 4, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the group's and parent LLP's affairs as at 31 March 2014 and of the group's 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 LLPs 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 by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP 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

Date: 23 July 2014

25 Moorgate  
London  
EC2R 6AY

**ARMA PARTNERS LLP****CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2014**

|   | Notes | 2014<br>£   | 2013<br>£   |
|---|-------|-------------|-------------|
| <b>Turnover</b>   | 1,2   | 12,806,598  | 15,158,023  |
| Administrative expenses   |       | (9,172,730) | (7,647,078) |
| <b>Operating profit</b>   |       | 3,633,868   | 7,510,945   |
| Interest receivable   |       | 15,854      | 14,111      |
| <b>Profit on ordinary activities before taxation</b>                                    | 5     | 3,649,722   | 7,525,056   |
| Tax on profit on ordinary activities  | 6     | (21,025)    | 1,024       |
| <b>Profit for the financial year before members' remuneration and profit shares</b>     |       | 3,628,697   | 7,526,080   |
| Members' remuneration charged as an expense   |       | (5,068)     | (3,550)     |
| <b>Profit for the financial year available for discretionary division among members</b> |       | 3,623,629   | 7,522,530   |

All of the group's operations are classed as continuing.

**CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES**

|  | Notes | 2014<br>£ | 2013<br>£ |
|--|-------|-----------|-----------|
| Profit for the financial year available for discretionary division among members |       | 3,623,629 | 7,522,530 |
| Unrealised gain on fixed asset investment  | 8     | -         | 127,112   |
| <b>Total recognised gains and losses for the year</b>                            |       | 3,623,629 | 7,649,642 |

**ARMA PARTNERS LLP**

**CONSOLIDATED BALANCE SHEET as at 31 MARCH 2014**

|   | Notes | 2014<br>£   | 2013<br>£   |
|---|-------|-------------|-------------|
| <b>Fixed assets</b>   |       |             |             |
| Tangible assets   | 7     | 126,279     | 173,807     |
| Investments   | 8     | -           | 127,112     |
|   |       | <hr/>       | <hr/>       |
|   |       | 126,279     | 300,919     |
| <b>Current assets</b>   |       |             |             |
| Debtors   | 9     | 3,656,783   | 1,485,361   |
| Cash at bank and in hand  |       | 5,706,735   | 9,823,858   |
|   |       | <hr/>       | <hr/>       |
|   |       | 9,363,518   | 11,309,219  |
| <b>Creditors: amounts falling due within one year</b>                       | 10    | (3,260,498) | (2,328,759) |
|   |       | <hr/>       | <hr/>       |
| <b>Net current assets</b>   |       | 6,103,020   | 8,980,460   |
|   |       | <hr/>       | <hr/>       |
| <b>Creditors: amounts falling due after one year</b>                        | 11    | (438,532)   | (182,419)   |
|   |       | <hr/>       | <hr/>       |
| <b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>                                   |       | 5,790,767   | 9,098,960   |
|   |       | <hr/>       | <hr/>       |
| <b>Represented by:</b>  |       |             |             |
| <b>Loans and other debts due to members within one year</b>                 |       |             |             |
| Members' capital classified as a liability under FRS 25                     |       | 2,060,512   | 1,449,318   |
|   |       | <hr/>       | <hr/>       |
| <b>Equity</b>   |       |             |             |
| Members' other interests – other reserves classified as equity under FRS 25 |       | 3,730,255   | 7,649,642   |
|   |       | <hr/>       | <hr/>       |
|   |       | 5,790,767   | 9,098,960   |
|   |       | <hr/>       | <hr/>       |
| <b>TOTAL MEMBERS' INTERESTS</b>   |       |             |             |
| Amounts due from members  |       | (634,381)   | (631,478)   |
| Members' capital classified as a liability under FRS 25                     |       | 2,060,512   | 1,449,318   |
| Members' other interests  |       | 3,730,255   | 7,649,642   |
|   |       | <hr/>       | <hr/>       |
|   |       | 5,156,386   | 8,467,482   |
|   |       | <hr/>       | <hr/>       |

The accounts were approved and authorised for issue by the members on 18-07-14 and were signed on its behalf by:

  
**John Meehan**  
**Designated Member**



# ARMA PARTNERS LLP

## LLP BALANCE SHEET as at 31 MARCH 2014

|   | Notes | 2014<br>£   | 2013<br>£   |
|---|-------|-------------|-------------|
| <b>Fixed assets</b>   |       |             |             |
| Tangible assets   | 7     | 126,279     | 173,807     |
| Investments   | 8     | 100         | 127,212     |
|   |       | <hr/>       | <hr/>       |
|   |       | 126,379     | 301,019     |
| <b>Current assets</b>   |       |             |             |
| Debtors   | 9     | 3,568,415   | 1,443,405   |
| Cash at bank and in hand  |       | 5,532,271   | 9,788,469   |
|   |       | <hr/>       | <hr/>       |
|   |       | 9,100,686   | 11,231,874  |
| <b>Creditors: amounts falling due within one year</b>                       | 10    | (3,445,165) | (2,432,376) |
|   |       | <hr/>       | <hr/>       |
| <b>Net current assets</b>   |       | 5,655,521   | 8,799,498   |
|   |       | <hr/>       | <hr/>       |
| <b>Net assets attributable to members</b>                                   |       | 5,781,900   | 9,100,517   |
|   |       | <hr/>       | <hr/>       |
| <b>Represented by:</b>  |       |             |             |
| <b>Loans and other debts due to members within one year</b>                 |       |             |             |
| Members' capital classified as a liability under FRS 25                     |       | 2,060,512   | 1,449,318   |
|   |       | <hr/>       | <hr/>       |
| <b>Equity</b>   |       |             |             |
| Members' other interests – other reserves classified as equity under FRS 25 |       | 3,721,388   | 7,651,199   |
|   |       | <hr/>       | <hr/>       |
|   |       | 5,781,900   | 9,100,517   |
|   |       | <hr/>       | <hr/>       |
| <b>Total members' interests</b>   |       |             |             |
| Amounts due from members  |       | (634,381)   | (631,478)   |
| Members' capital classified as a liability under FRS 25                     |       | 2,060,512   | 1,449,318   |
| Members' other interests  |       | 3,721,388   | 7,651,199   |
|   |       | <hr/>       | <hr/>       |
|   |       | 5,147,519   | 8,469,039   |
|   |       | <hr/>       | <hr/>       |

The accounts were approved and authorised for issue by the members on 18-07-14 and were signed on its behalf by:

  
**John Meehan**  
**Designated Member**

**ARMA PARTNERS LLP**
**CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS for the year ended 31 MARCH 2014**

|  | Members' equity interests |                  | Loans and other amounts due to members     |                  |                  |                  |
|--|---------------------------|------------------|--|------------------|------------------|------------------|
|  | Other reserves            | Total            | Members' capital classified as a liability | Other amounts    | Total            | Total            |
|  | £                         | £                | £  | £                | £                | £                |
| Amounts due to members   | -                         | -                | 1,449,318                                  | -                | 1,449,318        | 1,449,318        |
| Amounts due from members   | -                         | -                | -  | (631,478)        | (631,478)        | (631,478)        |
| Members' interests at 1 April 2013   | 7,649,642                 | 7,649,642        | 1,449,318                                  | (631,478)        | 817,840          | 8,467,482        |
| Members' remuneration charged as an expense                                      | -                         | -                | -  | 5,068            | 5,068            | 5,068            |
| Profit for the financial year available for discretionary division among members | 3,623,629                 | 3,623,629        | -  | -                | -                | 3,623,629        |
| Introduced by members  | -                         | -                | 611,194                                    | -                | 611,194          | 611,194          |
| Allocation of profits  | (7,543,016)               | (7,543,016)      | -  | 7,543,016        | 7,543,016        | -                |
| Drawings – paid in cash  | -                         | -                | -  | (7,423,875)      | (7,423,875)      | (7,423,875)      |
| Drawings – paid in specie  | -                         | -                | -  | (127,112)        | (127,112)        | (127,112)        |
| Amounts due to members   | -                         | -                | 2,060,512                                  | -                | -                | -                |
| Amounts due from members   | -                         | -                | -  | (634,381)        | -                | -                |
| <b>Members' interests at 31 March 2014</b>                                       | <b>3,730,255</b>          | <b>3,730,255</b> | <b>2,060,512</b>                           | <b>(634,381)</b> | <b>1,426,131</b> | <b>5,156,386</b> |

Loans and other amounts due to members rank equally with debts to ordinary creditors in a winding up.

**ARMA PARTNERS LLP**

**PARENT ENTITY RECONCILIATION OF MEMBERS' INTERESTS for the year ended 31 MARCH 2014**

|  | Members' equity interests |                  | Loans and other amounts due to members     |                  |                  | Total            |
|--|---------------------------|------------------|--|------------------|------------------|------------------|
|  | Other reserve             | Total            | Members' capital classified as a liability | Other amounts    | Total            |                  |
|  | £                         | £                | £  | £                | £                | £                |
| Amounts due to members   | -                         | -                | 1,449,318                                  | -                | 1,449,318        | 1,449,318        |
| Amounts due from members   | -                         | -                | -  | (631,478)        | (631,478)        | (631,478)        |
| Members' interests at 1 April 2013   | 7,651,199                 | 7,651,199        | 1,449,318                                  | (631,478)        | 817,840          | 8,469,039        |
| Members' remuneration charged as an expense                                      | -                         | -                | -  | 5,068            | 5,068            | 5,068            |
| Profit for the financial year available for discretionary division among members | 3,613,205                 | 3,613,205        | -  | -                | -                | 3,613,205        |
| Introduced by members  | -                         | -                | 611,194                                    | -                | 611,194          | 611,194          |
| Allocation of profits  | (7,543,016)               | (7,543,016)      | -  | 7,543,016        | 7,543,016        | -                |
| Drawings – paid in cash  | -                         | -                | -  | (7,423,875)      | (7,423,875)      | (7,423,875)      |
| Drawings – paid in specie  | -                         | -                | -  | (127,112)        | (127,112)        | (127,112)        |
| Amounts due to members   | -                         | -                | 2,060,512                                  | -                | -                | -                |
| Amounts due from members   | -                         | -                | -  | (634,381)        | -                | -                |
| <b>Members' interests at 31 March 2014</b>                                       | <b>3,721,388</b>          | <b>3,721,388</b> | <b>2,060,512</b>                           | <b>(634,381)</b> | <b>1,426,131</b> | <b>5,147,519</b> |

Loans and other amounts due to members rank equally with debts to ordinary creditors in a winding up.

**ARMA PARTNERS LLP**
**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 MARCH 2014**

|  | Notes | 2014<br>£   | 2013<br>£   |
|--|-------|-------------|-------------|
| <b>Net cash inflow from operating activities</b>       | 16    | 2,779,978   | 10,191,609  |
| <b>Taxation</b>  |       |             |             |
| Corporation tax paid                                   |       | (43,161)    | -           |
|  |       | <hr/>       | <hr/>       |
| <b>Returns on investments and servicing of finance</b> |       |             |             |
| Interest received                                      |       | 15,854      | 14,111      |
|  |       | <hr/>       | <hr/>       |
| <b>Capital expenditure and financial investment</b>    |       |             |             |
| Payments to acquire tangible fixed assets              |       | (57,113)    | (143,462)   |
|  |       | <hr/>       | <hr/>       |
| <b>Transactions with members</b>                       |       |             |             |
| Capital contributed by members                         |       | 611,194     | 139,586     |
| Members drawings                                       |       | (7,423,875) | (1,913,812) |
|  |       | <hr/>       | <hr/>       |
| <b>Net cash outflow from transactions with members</b> |       | (6,812,681) | (1,774,226) |
|  |       | <hr/>       | <hr/>       |
| <b>(Decrease)/increase in cash in the year</b>         | 17    | (4,117,123) | 8,288,032   |
|  |       | <hr/>       | <hr/>       |

## **ARMA PARTNERS LLP**

### **NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2014**

#### **1 Accounting policies**

The accounts have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice 2010 'Accounting by Limited Liability Partnerships (LLPs)'. A summary of the more important accounting policies adopted are described below.

##### **Basis of accounting**

The accounts have been prepared under the historical cost convention.

##### **Basis of consolidation**

The accounts consolidate the results and the assets and liabilities of the LLP and its subsidiary. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

As permitted by section 408(3) of the Companies Act 2006 as applied to LLPs, the parent profit and loss account has not been included in these accounts. The parent's profit for the financial year was £3,613,205 (2013: £7,524,087).

##### **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 on a straight line basis:

|                       |   |         |
|-----------------------|---|---------|
| Computer equipment    | - | 3 years |
| Office equipment      | - | 4 years |
| Fixtures and fittings | - | 5 years |

##### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

##### **Taxation**

The taxation payable on the profits of the LLP is the liability of the individual members.

Corporate subsidiaries of the LLP included within the consolidated accounts are subject to UK corporation tax based on the profits of the accounting period and remain a liability of the company to which it relates (as opposed to the members). This tax charge is recorded in the profit and loss account under the heading 'tax on profit on ordinary activities' and any related liability is included as a creditor in the balance sheet.

##### **Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is only recognised if it can be regarded as more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2014 (continued)**

**1 Accounting policies (continued)**

**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 when they cease to be a member or with the consent of the managing member, 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 proportion to the amounts standing to the credit of their capital contribution account with any surplus payable to the managing member.

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 at the balance sheet date, these amounts are classed as equity under FRS 25.

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

**Pension costs**

Members of Arma Partners LLP and subsidiaries are required to make their own provision for pensions by contributing to personal pension plans. The LLP and subsidiaries 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 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.

**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.

**ARMA PARTNERS LLP**
**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2014 (continued)**

| <b>2</b> | <b>Turnover</b> | <b>2014</b><br><b>£</b> | <b>2013</b><br><b>£</b> |
|----------|-----------------|-------------------------|-------------------------|
|          | UK              | 5,975,359               | 6,656,037               |
|          | Overseas        | 6,831,239               | 8,501,986               |
|          |                 | <hr/>                   | <hr/>                   |
|          |                 | 12,806,598              | 15,158,023              |
|          |                 | <hr/>                   | <hr/>                   |

**3 Employee information**

The average number of persons employed by the group during the year was:

|                | <b>2014</b><br><b>Number</b> | <b>2013</b><br><b>Number</b> |
|----------------|------------------------------|------------------------------|
| Advisory       | 31                           | 28                           |
| Administration | 9                            | 7                            |
|                | <hr/>                        | <hr/>                        |
|                | 40                           | 35                           |
|                | <hr/>                        | <hr/>                        |

|   | <b>£</b>  | <b>£</b>  |
|---|-----------|-----------|
| Staff costs for the above persons were: |           |           |
| Wages and salaries                      | 5,311,961 | 4,564,011 |
| Social security costs                   | 669,991   | 571,808   |
| Pension costs                           | 24,584    | 48,883    |
|   | <hr/>     | <hr/>     |
|   | 6,006,536 | 5,184,702 |
|   | <hr/>     | <hr/>     |

**4 Information in relation to members**

|  | <b>2014</b><br><b>Number</b> | <b>2013</b><br><b>Number</b> |
|--|------------------------------|------------------------------|
| The average number of members during the year was                                | 7                            | 6                            |
|  | <hr/>                        | <hr/>                        |
| The amount of profit attributable to the member with the largest entitlement was | 809,309                      | 2,184,417                    |
|  | <hr/>                        | <hr/>                        |

Profits are divided among the members in accordance with established profit sharing arrangements.

**ARMA PARTNERS LLP**
**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2014 (continued)**

|          |   |                  |                  |
|----------|---|------------------|------------------|
| <b>5</b> | <b>Profit on ordinary activities before taxation</b> is stated after charging/(crediting):                | <b>2014</b><br>£ | <b>2013</b><br>£ |
|          | Depreciation  |                  |                  |
|          | - owned assets  | 104,641          | 125,411          |
|          | Foreign exchange (gains)/losses   | 55,074           | (47,690)         |
|          | Operating lease rentals   |                  |                  |
|          | - land and buildings  | 198,805          | 198,750          |
|          | <b>Auditor's remuneration</b>   |                  |                  |
|          | Fees payable to the company's auditor for the audit of the parent entity and consolidated annual accounts | 18,815           | 17,390           |
|          | Fees payable to the company's auditor and its associates for other services to the group:                 |                  |                  |
|          | - Audit-related assurance services  | 4,557            | 3,600            |
|          | - Taxation compliance services  | 10,000           | 9,438            |
|          | - Payroll services  | 8,370            | 1,457            |
|          | - Other   | 16,935           | 6,137            |
| <b>6</b> | <b>Tax on profit on ordinary activities</b>   | <b>£</b>         | <b>£</b>         |
| (a)      | The tax charge comprises:   |                  |                  |
|          | <b>Current tax</b>  |                  |                  |
|          | UK corporation tax at 23 % (2013: 24%)  | 66,775           | 40,932           |
|          | <b>Deferred tax</b>   |                  |                  |
|          | Origination and reversal of timing differences  | (45,750)         | (41,956)         |
|          | Total tax charge/(credit)   | 21,025           | (1,024)          |
| (b)      | Factors affecting tax charge/(credit) for period  |                  |                  |
|          | Profit on ordinary activities before tax  | 3,649,722        | 7,525,056        |
|          | Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 23% (2013: 24%)    | 839,436          | 1,806,013        |
|          | Effects of:   |                  |                  |
|          | Marginal relief   | 636              | (2,229)          |
|          | Profits of LLP not chargeable to corporation tax  | (832,203)        | (1,806,632)      |
|          | Other short term timing differences   | 58,906           | 43,780           |
|          | Current tax charge for period   | 66,775           | 40,932           |



**ARMA PARTNERS LLP**
**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2014 (continued)**

| <b>7</b> | <b>Tangible fixed assets</b>            | <b>Computer<br/>equipment<br/>£</b> | <b>Fixtures<br/>&amp; fittings<br/>£</b> | <b>Office<br/>equipment<br/>£</b> | <b>Total<br/>£</b> |
|----------|---|-------------------------------------|--|-----------------------------------|--------------------|
|          | <b>Group and LLP</b>                    |                                     |  |                                   |                    |
|          | <b>Cost</b>                             |                                     |  |                                   |                    |
|          | 1 April 2013                            | 242,046                             | 53,065                                   | 189,104                           | 484,215            |
|          | Additions                               | 11,746                              | -  | 45,367                            | 57,113             |
|          | Disposals                               | -                                   | -  | (6,558)                           | (6,558)            |
|          | <b>31 March 2014</b>                    | <b>253,792</b>                      | <b>53,065</b>                            | <b>227,913</b>                    | <b>534,770</b>     |
|          | <b>Depreciation</b>                     |                                     |  |                                   |                    |
|          | 1 April 2013                            | 139,605                             | 22,307                                   | 148,496                           | 310,408            |
|          | Charge for the year                     | 59,149                              | 18,040                                   | 27,452                            | 104,641            |
|          | Disposals                               | -                                   | -  | (6,558)                           | (6,558)            |
|          | <b>31 March 2014</b>                    | <b>198,754</b>                      | <b>40,347</b>                            | <b>169,390</b>                    | <b>408,491</b>     |
|          | <b>Net book value<br/>31 March 2014</b> | <b>55,038</b>                       | <b>12,718</b>                            | <b>58,523</b>                     | <b>126,279</b>     |
|          | <b>31 March 2013</b>                    | <b>102,441</b>                      | <b>30,758</b>                            | <b>40,608</b>                     | <b>173,807</b>     |
| <b>8</b> | <b>Fixed asset investments</b>          |                                     |  |                                   |                    |
|          |   | <b>Group</b>                        |  | <b>LLP</b>                        |                    |
|          |   | <b>2014</b>                         | <b>2013</b>                              | <b>2014</b>                       | <b>2013</b>        |
|          |   | <b>£</b>                            | <b>£</b>                                 | <b>£</b>                          | <b>£</b>           |
|          | Subsidiary undertakings                 | -                                   | -  | 100                               | 100                |
|          | Other investments                       | -                                   | 127,112                                  | -                                 | 127,112            |
|          |   | -                                   | 127,112                                  | 100                               | 127,212            |

Other investments were acquired by the LLP as part of a success fee on completion of a transaction. The investments have been valued at fair value at the date of receipt.

# ARMA PARTNERS LLP

## NOTES TO THE ACCOUNTS for the year ended 31 March 2014 (continued)

### 8 Fixed asset investments (continued)

#### Investments in subsidiary LLP

The LLP has an investment in the following subsidiary undertaking.

| Subsidiary undertakings                 | Country of incorporation | Principal activity                 | Holding       | Proportion of ordinary shares held |
|---|--------------------------|------------------------------------|---------------|------------------------------------|
| Arma Partners Corporate Finance Limited | UK                       | Provision of professional services | Share Capital | 100%                               |

### 9 Debtors

|                                  | Group           |                 | LLP             |                 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                  | 2014<br>£       | 2013<br>£       | 2014<br>£       | 2013<br>£       |
| Trade debtors                    | 2,260,336       | 465,622         | 2,260,336       | 465,622         |
| Prepayments and accrued income   | 559,349         | 175,205         | 558,687         | 175,205         |
| Amounts due from members         | 634,381         | 631,478         | 634,381         | 631,478         |
| Amounts due from related parties | 63,191          | 47,333          | 63,191          | 47,333          |
| Deferred tax asset               | 87,706          | 41,956          | -               | -               |
| Other debtors                    | 51,820          | 123,767         | 51,820          | 123,767         |
|                                  | <hr/> 3,656,783 | <hr/> 1,485,361 | <hr/> 3,568,415 | <hr/> 1,443,405 |

**ARMA PARTNERS LLP**
**NOTES TO THE ACCOUNTS for the year ended 31 March 2014 (continued)**
**10 Creditors: amounts falling due within one year**

|   | <b>Group</b>     |                  | <b>LLP</b>       |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>2014</b>      | <b>2013</b>      | <b>2014</b>      | <b>2013</b>      |
|   | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Trade creditors   | 496,414          | 215,301          | 494,241          | 215,301          |
| Amounts owed to subsidiary undertakings                   | -                | -                | 2,631,264        | 1,994,545        |
| Other creditors including taxes and social security costs | 118,766          | 116,108          | -                | 16,314           |
| Corporation tax   | 64,546           | 40,932           | -                | -                |
| Accruals and deferred income                              | 2,580,772        | 1,956,418        | 319,660          | 206,216          |
|   | <u>3,260,498</u> | <u>2,328,759</u> | <u>3,445,165</u> | <u>2,432,376</u> |

**11 Creditors: amounts falling due after one year**

|          | <b>Group</b>   |                | <b>LLP</b>  |             |
|----------|----------------|----------------|-------------|-------------|
|          | <b>2014</b>    | <b>2013</b>    | <b>2014</b> | <b>2013</b> |
|          | <b>£</b>       | <b>£</b>       | <b>£</b>    | <b>£</b>    |
| Accruals | 438,532        | 182,419        | -           | -           |
|          | <u>438,532</u> | <u>182,419</u> | <u>-</u>    | <u>-</u>    |

**12 Deferred tax asset**

|   | <b>2014</b>   |
|---|---------------|
|   | <b>£</b>      |
| At beginning of period                  | 41,956        |
| Deferred tax recognised during the year | 45,750        |
|   | <u>87,706</u> |

The deferred tax asset comprises short term timing differences over the deductibility of certain expenses.

# ARMA PARTNERS LLP

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2014 (continued)

### 13 Operating lease commitments

At 31 March 2014 the group and LLP had annual commitments under operating leases as follows:

|                           | <b>Land and Buildings</b> |             |
|---------------------------|---------------------------|-------------|
|                           | <b>2014</b>               | <b>2013</b> |
|                           | <b>£</b>                  | <b>£</b>    |
| <b>Group and LLP</b>      |                           |             |
| For leases expiring:      |                           |             |
| Within one year           | 154,450                   | -           |
| Between one and two years | -                         | 265,000     |
|                           | <hr/>                     | <hr/>       |
|                           | 154,450                   | 265,000     |
|                           | <hr/>                     | <hr/>       |

### 14 Ultimate controlling party

In the opinion of the members, there is no ultimate controlling party of the Group.

### 15 Related party transactions

During the year, Arma Partners LLP charged £489,667 (2013: £47,332) to Arma Partners LP for the provision of services to Arma Partners LP. At 31 March 2014, the amount of £63,191 (2013: £45,883) is outstanding and shown within "amounts due from related parties". The members of Arma Partners LLP are all members of US Arma Partners LP.

The Company has taken advantage of the exemption available in FRS8 "Related Party Disclosures" not to disclose transactions with other wholly owned Group companies.

### 16 Reconciliation of operating profit to net cash inflow from operating activities

|   | <b>2014</b> | <b>2013</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Operating profit                          | 3,633,868   | 7,510,945   |
| Depreciation                              | 104,641     | 125,411     |
| Decrease/(increase) in debtors            | (2,122,769) | 1,081,986   |
| Increase/(decrease) in creditors          | 1,164,238   | 1,473,267   |
|   | <hr/>       | <hr/>       |
| Net cash inflow from operating activities | 2,779,978   | 10,191,609  |
|   | <hr/>       | <hr/>       |

**ARMA PARTNERS LLP**
**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2014 (continued)**

|    |   |                   |                  |                  |                    |
|----|---|-------------------|------------------|------------------|--------------------|
| 17 | <b>Reconciliation of net cash flow to movement in net funds</b> |                   |                  | <b>2014</b>      | <b>2013</b>        |
|    |   |                   |                  | <b>£</b>         | <b>£</b>           |
|    | (Decrease)/increase in cash in the year                         |                   |                  | (4,117,123)      | 8,288,032          |
|    | Increase in members' capital in the year                        |                   |                  | (611,194)        | (139,586)          |
|    |   |                   |                  |                  |                    |
|    | <b>Movement in net funds in the year</b>                        |                   |                  | (4,728,317)      | 8,148,446          |
|    |   |                   |                  |                  |                    |
|    | Net funds at 1 April  |                   |                  | 8,374,540        | 226,094            |
|    |   |                   |                  |                  |                    |
|    | <b>Net funds at 31 March</b>                                    |                   |                  | 3,646,223        | 8,374,540          |
|    |   |                   |                  |                  |                    |
| 18 | <b>Analysis of net funds</b>                                    | <b>At 1 April</b> | <b>Cash flow</b> | <b>Other non</b> | <b>At 31 March</b> |
|    |   | <b>2013</b>       |                  | <b>cash</b>      | <b>2014</b>        |
|    |   | <b>£</b>          | <b>£</b>         | <b>changes</b>   | <b>£</b>           |
|    |   |                   |                  | <b>£</b>         |                    |
|    | Cash at bank  | 9,823,858         | (4,117,123)      | -                | 5,706,735          |
|    | Members capital   | (1,449,318)       | (611,194)        | -                | (2,060,512)        |
|    |   |                   |                  |                  |                    |
|    | Total   | 8,374,540         | (4,728,317)      | -                | 3,646,223          |