

Registered number:
OC307424

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

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ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

INFORMATION

Designated Members

P N Guély
J Meehan
T G Wells
A E Lawson-Smith
V Sunderraman
J Helle
D Smith
S Carmichael (appointed 6 April 2018)
J Sokolowsky (appointed 4 July 2018)

LLP registered number

OC307424

Registered office

The Shard, London, SE1 9SG

Bankers

HSBC plc, 90 Baker Street, London, W1U 6AX

Auditors

Nexia Smith & Williamson, 25 Moorgate, London, EC2R 6AY

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The members present their annual report together with the audited financial statements of Arma Partners Limited Liability Partnership (the "LLP") and its subsidiary (together, the "Group") for the year ended 31 March 2018.

Registered number

The LLP's registered number is OC307424.

Principal activities

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

Designated Members

The following were designated members of the LLP and the Group throughout the period.

P N Guély

J Meehan

T G Wells

A E Lawson-Smith

V Sunderraman

J Helle

D Smith

Members' capital and interests

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 36 and 37. The members are entitled to interest on the capital subscribed; this is included within members' remuneration charged as an expense.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

Disclosure of information to auditors

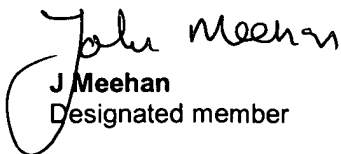
Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

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

This report was approved by the members and signed on their behalf by:


J Meehan
Designated member

Date: 25-07-2018

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

Company law, as applied to LLPs, requires 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

Opinion

We have audited the financial statements of Arma Partners Limited Liability Partnership (the 'parent limited liability partnership') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and LLP Balance Sheets, the Consolidated and LLP Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31 March 2018 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
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement 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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the parent limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

Use of our report

This report is made solely to the parent 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. Our audit work has been undertaken so that we might state to the parent 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 parent limited liability partnership and the parent limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Sancho Simmonds (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date: *25 July 2018*

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP
REGISTERED NUMBER: OC307424

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover	4	28,590,785	18,100,110
Gross profit		28,590,785	18,100,110
Administrative expenses		(14,465,837)	(11,378,718)
Operating profit	5	14,124,948	6,721,392
Interest receivable and similar income	9	8,794	10,587
Profit before tax		14,133,742	6,731,979
Tax on profit	10	10,327	(15,046)
Profit before members' remuneration and profit shares		14,144,069	6,716,933
Members' remuneration charged as an expense		(5,281)	(5,250)
Profit for the financial year available for discretionary division among members		14,138,788	6,711,683
Other comprehensive income for the year		-	-
Total comprehensive income for the year		14,138,788	6,711,683
Profit for the year attributable to:			
Owners of the parent LLP		14,138,788	6,711,683
		14,138,788	6,711,683

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated Statement of Comprehensive Income.

The notes on pages 18 to 39 form part of these financial statements.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP
REGISTERED NUMBER: OC307424

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

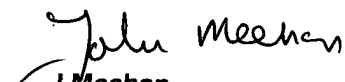
	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	328,922	542,769
		<u>328,922</u>	<u>542,769</u>
Current assets			
Debtors: amounts falling due after more than one year	14	-	1,181,495
Debtors: amounts falling due within one year	14	3,545,571	4,033,939
Cash at bank and in hand	15	19,916,766	8,957,574
		<u>23,462,337</u>	<u>14,173,008</u>
Creditors: amounts falling due within one year	16	(4,897,337)	(3,345,007)
Net current assets		<u>18,565,000</u>	<u>10,828,001</u>
Total assets less current liabilities		<u>18,893,922</u>	<u>11,370,770</u>
Creditors: amounts falling due after more than one year	17	(456,409)	(221,637)
Net assets attributable to members		<u><u>18,437,512</u></u>	<u><u>11,149,133</u></u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	20	4,224,737	4,363,465
		<u>4,224,737</u>	<u>4,363,465</u>
Members' other interests			
Other reserves classified as equity	21	14,212,775	6,785,668
		<u>14,212,775</u>	<u>6,785,668</u>
		<u><u>18,437,512</u></u>	<u><u>11,149,133</u></u>

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP
REGISTERED NUMBER: OC307424

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Total members' interests			
Amounts due from members (included in debtors)		(1,096,412)	(1,135,884)
Loans and other debtors due to members	20	4,224,737	4,363,465
Members' other interests	21	14,212,775	6,785,668
		<u>17,341,100</u>	<u>10,013,249</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:


J Meehan
Designated member

Date: 25-07-2018

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP
REGISTERED NUMBER: OC307424

LLP BALANCE SHEET
AS AT 31 MARCH 2018

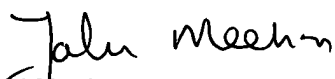
	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	328,922	542,769
Investments	13	100	100
		<u>329,022</u>	<u>542,869</u>
Current assets			
Debtors: amounts falling due after more than one year	14	-	995,514
Debtors: amounts falling due within one year	14	3,441,088	3,809,204
Cash at bank and in hand	15	19,638,658	8,700,414
		<u>23,079,746</u>	<u>13,505,132</u>
Creditors: amounts falling due within one year	16	(5,018,779)	(2,993,306)
Net current assets		<u>18,060,967</u>	<u>10,511,826</u>
Total assets less current liabilities		<u>18,389,989</u>	<u>11,054,695</u>
Net assets attributable to members		<u>18,389,989</u>	<u>11,054,695</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	20	4,224,737	4,363,465
		<u>4,224,737</u>	<u>4,363,465</u>
Members' other interests			
Other reserves classified as equity	22	14,165,251	6,691,230
		<u>14,165,251</u>	<u>6,691,230</u>
		<u>18,389,988</u>	<u>11,054,695</u>

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP
REGISTERED NUMBER: OC307424

LLP BALANCE SHEET (continued)
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Total members' interests			
Amounts due from members (included in debtors)		(1,096,412)	(1,135,884)
Loans and other debtors due to members	20	4,224,737	4,363,465
Members' other interests		14,165,251	6,691,230
		<u>17,293,576</u>	<u>9,918,811</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf by


J Meehan
Designated member
Date: 25-07-2018

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Other reserves	Total equity
	£	£
At 1 April 2017	6,785,668	6,785,668
Profit for year for discretionary division among members	14,138,788	14,138,788
Other comprehensive income for the year	-	-
Total comprehensive income for the year	20,924,456	20,924,456
Allocated profit	(6,711,681)	(6,711,681)
At 31 March 2018	14,212,775	14,212,775

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Other reserves	Total equity
	£	£
At 1 April 2016	7,118,585	7,118,585
Profit for year for discretionary division among members	6,711,683	6,711,683
Other comprehensive income for the year	-	-
Total comprehensive income for the year	6,711,683	6,711,683
Allocated profit	(7,044,600)	(7,044,600)
At 31 March 2017	6,785,668	6,785,668

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Other reserves	Total equity
	£	£
At 1 April 2017	6,691,230	6,691,230
Profit for year for discretionary division among members	14,185,702	14,185,702
Other comprehensive income for the year	-	-
Total comprehensive income for the year	20,876,932	20,876,932
Allocated profit	(6,711,681)	(6,711,681)
At 31 March 2018	14,165,251	14,165,251

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Other reserves	Total equity
	£	£
At 1 April 2016	7,064,702	7,064,702
Profit for year for discretionary division among members	6,671,128	6,671,128
Other comprehensive income for the year	-	-
Total comprehensive income for the year	6,671,128	6,671,128
Allocated profit	(7,044,600)	(7,044,600)
At 31 March 2017	6,691,230	6,691,230

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Operating profit	14,124,948	6,721,392
Adjustments for:		
Depreciation of tangible assets	281,961	279,920
Loss on disposal of tangible assets	-	198
Decrease/(increase) in debtors	1,860,907	(721,649)
Increase/(decrease) in creditors	1,652,386	(276,763)
Corporation tax	-	3,978
Net cash generated from operating activities	17,920,202	6,007,076
Cash flows from investing activities		
Purchase of tangible fixed assets	(68,114)	(41,956)
Sale of tangible fixed assets	-	-
Interest received	8,794	10,587
Net cash from investing activities	(59,320)	(31,369)
Cash flows from financing activities		
Members' capital repaid	(409,935)	-
Drawings paid to members	(6,491,755)	(6,575,327)
Net cash used in financing activities	(6,901,690)	(6,575,327)
Net increase / (decrease) in cash and cash equivalents	10,959,192	(599,620)
Cash and cash equivalents at the beginning of the year	8,957,574	9,557,194
Cash and cash equivalents at the end of the year	19,916,766	8,957,574

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Arma Partners LLP is a Limited Liability Partnership incorporated in England and Wales, with a registration number of OC307424. The address of the registered office is The Shard, London, SE1 9SG. The nature of the LLP's operations and its principal activities are set out in the Members' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the entity's accounting policies (see note 3).

Exemptions

The LLP has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a LLP statement of cash flows;
- the exemption from restating lease incentives for those leases that commenced before the date of transition to this FRS.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements consolidate the results and the assets and liabilities of the LLP and its subsidiary ("the Group"). Intercompany transactions and balances between group companies are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2014.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Success Fees

Success fees which are contingent on the success of a deal are recognised when the deal completes.

2.4 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.5 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.6 Operating profit

Operating profit consists of revenue less administrative expenses incurred by the Group.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in Statement of Comprehensive Income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the LLP and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Statement of Comprehensive Income.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.11 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 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 102.

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 102.

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

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Key sources of estimation uncertainty

Bad debt provisions

The trade debtors balance of £1,386,019 (2017: £2,117,563) recorded in the Company's balance sheet comprises a number of small balances and one large balance. A full line by line review of these balances is carried out at the end of each month, as well as a provision being applied based on ageing of debtors. Whilst every attempt is made to ensure that the bad debt and accrued income provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts and accrued income which ultimately prove to be recoverable.

4. Analysis of turnover

The whole of the turnover is attributable to the principal activity of the group, being the provision of corporate advisory services as authorised by the Financial Conduct Authority.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	13,818,133	12,408,187
Rest of the world	14,772,652	5,691,923
	<u>28,590,785</u>	<u>18,100,110</u>

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Operating profit

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	281,961	279,920
Exchange differences	336,136	(105,874)
Operating lease rentals	705,208	706,987
Defined contribution pension cost	88,661	62,649
	<u>281,961</u>	<u>279,920</u>

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	25,000	17,000
	<u>25,000</u>	<u>17,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	3,750	3,750
Other services relating to taxation	15,800	7,790
All other services	17,044	16,467
	<u>61,594</u>	<u>45,007</u>

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Employees

Staff costs for employees of the Group were as follows:

	2018 £	2017 £
Wages and salaries	7,663,229	5,697,927
Social security costs	1,027,780	737,040
Cost of defined contribution scheme	88,661	62,649
	8,779,670	6,497,616

The average number of persons (including members with contracts of employment) employed by the Group during the year was as follows:

	2018 No.	2017 No.
Advisory	45	41
Administration	15	14
	60	55

8. Information in relation to members

	2018 Number	2017 Number
The average number of members during the year was	7	10

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Interest receivable

	2018 £	2017 £
Other interest receivable	8,794	10,587
	<u>8,794</u>	<u>10,587</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax (credit)/charge on profits for the year	(3,978)	3,978
Adjustments in respect of prior periods	-	-
Total current tax	<u>(3,978)</u>	<u>3,978</u>
 Deferred tax		
Origination and reversal of timing differences	(6,349)	6,071
Adjustments in respect of prior periods	-	-
Effect of tax rate change on opening balance	-	4,997
Total deferred tax (credit)/charge	<u>(6,349)</u>	<u>11,068</u>
 Taxation on profit	<u>(10,327)</u>	<u>15,046</u>

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 – *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit before tax	14,133,742	6,731,979
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	2,685,411	1,346,396
Effects of:		
Profits of LLP not chargeable to corporation tax	(2,696,287)	(1,335,276)
Losses carried back	3,674	-
Re-measurement of deferred tax – change in the UK tax rate	(3,125)	3,926
Total tax charge for the year	(10,327)	15,046

Factors that may affect future tax charges

The UK government has announced future changes to the Corporation tax rate. These changes will result in a decrease in the standard rate of corporation tax to 17% for the tax year ending March 2021. As at 31 March 2018 the substantively enacted rate for the tax year ending March 2021 is 17% and in accordance with applicable accounting standards the deferred tax asset has been calculated using this rate.

11. Parent LLP Profit for the year

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent LLP for the year was £14,185,702 (2017: £6,711,683).

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Tangible fixed assets

Group	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	768,521	292,293	357,878	1,418,692
Additions	185	-	67,929	68,114
Disposals	-	-	-	-
At 31 March 2018	768,706	292,293	425,807	1,486,806
Depreciation				
At 1 April 2017	394,424	190,993	290,506	875,923
Charge for the period	153,732	73,067	55,162	281,961
Disposals	-	-	-	-
At 31 March 2018	548,156	264,060	345,668	1,157,884
Net book value				
At 31 March 2018	220,550	28,233	80,139	328,922
<i>At 31 March 2017</i>	<i>374,097</i>	<i>101,300</i>	<i>67,372</i>	<i>542,769</i>

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Tangible fixed assets (continued)

LLP

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	768,521	292,293	357,878	1,418,692
Additions	185	-	67,929	68,114
Disposals	-	-	-	-
At 31 March 2018	768,706	292,293	425,807	1,486,806
Depreciation				
At 1 April 2017	394,424	190,993	290,506	875,923
Charge for the period	153,732	73,067	55,162	281,961
Disposals	-	-	-	-
At 31 March 2018	548,156	264,060	345,668	1,157,884
Net book value				
At 31 March 2018	220,550	28,233	80,139	328,922
<i>At 31 March 2017</i>	<i>374,097</i>	<i>101,300</i>	<i>67,372</i>	<i>542,769</i>

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Arma Partners Corporate Finance Limited	UK	Ordinary	100 %	Provision of professional services

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	100
At 31 March 2018	100
Net book value	
At 31 March 2018	100
At 31 March 2017	100

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. Debtors

	Group 2018 £	<i>Group 2017 £</i>	LLP 2018 £	<i>LLP 2017 £</i>
Due after more than one year				
Other debtors	-	1,181,495	-	995,514
	-	1,181,495	-	995,514

	Group 2018 £	<i>Group 2017 £</i>	LLP 2018 £	<i>LLP 2017 £</i>
Due within one year				
Trade debtors	1,386,019	2,041,636	1,386,019	2,041,636
Other debtors	118,309	138,281	103,031	66,059
Prepayments and accrued income	842,337	438,356	842,337	438,356
Deferred taxation	85,227	78,878	-	-
Tax recoverable	17,267	124,977	13,289	51,342
Amounts due from related parties	-	75,927	-	75,927
Amounts due from members	1,096,412	1,135,884	1,096,412	1,135,884
	3,545,571	4,033,939	3,441,088	3,809,204

Included within other debtors is an amount of £nil (2017: £185,981) due in more than one year in relation to forgivable loans. A forgivable loan is provided from time to time to employees for a term of three years on an interest free basis until the release date. The loan is subject to certain conditions including the facility for the company to demand immediate repayment of the loan if the staff member leaves during the loan period.

Included within other debtors is an amount of £nil (2017: £995,514) due in more than one year in relation to a rent deposit by Arma Partners LLP.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Cash and cash equivalents

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Cash at bank and in hand	19,916,766	8,957,574	19,638,658	8,700,414
	19,916,766	8,957,574	19,638,658	8,700,414

16. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Trade creditors	787,007	199,482	787,007	199,482
Amounts owed to group undertakings	-	-	3,100,387	1,511,184
Amounts due to related parties	176,284	321,754	176,284	321,754
Corporation tax	-	3,978	-	-
Taxation and social security	180,850	127,576	-	-
Other creditors	15,253	14,121	15,253	14,121
Accruals and deferred income	3,737,943	2,678,096	939,848	946,765
	4,897,337	3,345,007	5,018,779	2,993,306

17. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	LLP 2017 £	LLP 2016 £
Accruals and deferred income	456,409	221,637	-	-
	456,409	221,637	-	-

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

18. Financial instruments

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	2,600,740	4,624,566	2,585,462	4,366,363
	<u>2,600,740</u>	<u>4,624,566</u>	<u>2,585,462</u>	<u>4,366,363</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(5,172,896)	(3,562,666)	(5,018,779)	(2,993,306)
	<u>(5,353,746)</u>	<u>(3,562,666)</u>	<u>(5,018,779)</u>	<u>(2,993,306)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts due from members and related parties.

Financial liabilities measured at amortised cost comprise trade creditors, amounts due to group undertakings, amounts due to related parties, accruals and other creditors.

19. Deferred taxation

Group	Deferred tax £	
At 1 April 2017	78,878	
Deferred tax credited to the Statement of Comprehensive Income for the period	6,349	
	<hr/>	
At 31 March 2018	85,227	
	<hr/>	
	Group 2018 £	Group 2017 £
Short term timing differences over the deductibility of expenses	80,187	78,878
Tax losses carried forward and other deductions	5,040	-
	<hr/>	<hr/>
	85,227	78,878

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

20. Loans and other debts due to members

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Members capital treated as debt	(4,224,737)	(4,363,465)	(4,224,737)	(4,363,465)
	(4,224,737)	(4,363,465)	(4,224,737)	(4,363,465)

Loans and other debts due to members may be further analysed as follows:

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Falling due within one year	(4,224,737)	(4,363,465)	(4,224,737)	(4,363,465)
	(4,224,737)	(4,363,465)	(4,224,737)	(4,363,465)

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

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

21. Reconciliation of members' interests (Group)

	EQUITY		DEBT			
	Member' other interests		Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	Total
	£	£	£	£	£	£
Balance at 1 April 2017	6,785,668	6,785,668	4,363,465	(1,135,884)	3,227,581	10,013,249
Profit for the year available for discretionary division among members	14,138,788	14,138,788	-	-	-	14,138,788
Members' interests after profit for the year	20,924,456	20,924,456	4,363,465	(1,135,884)	3,227,581	24,152,037
Members remuneration charged as an expense	-	-	-	5,281	5,281	5,281
Allocation of profits	(6,711,681)	(6,711,681)	409,902	6,301,779	6,711,681	-
Drawings	-	-	(409,935)	(6,491,755)	(6,901,690)	(6,901,690)
Other movements	-	-	(138,695)	224,167	85,472	85,472
Amounts due to members	-	-	4,224,737	-	4,224,737	4,224,737
Amounts due from members	-	-	-	(1,096,412)	(1,096,412)	(1,096,412)
Balance at 31 March 2018	14,212,775	14,212,775	4,224,737	(1,096,412)	3,128,325	17,341,100

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

Equity relates to undistributed profits of the Group. The final division of profits to members is made once the annual accounts are approved on a discretionary basis.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

22. Reconciliation of members' interests (LLP)

	EQUITY		DEBT			Total members' interests
	Member' other interests		Loans and other debts due to members less any amounts due from members in debtors			
	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	
	£	£	£	£	£	
Balance at 1 April 2017	6,691,230	6,691,230	4,363,465	(1,135,884)	3,227,581	9,918,811
Profit for the year available for discretionary division among members	14,185,702	14,185,702	-	-	-	14,185,702
Members' interests after profit for the year	20,876,932	20,876,932	4,363,465	(1,135,884)	3,227,581	24,104,513
Members remuneration charged as an expense	-	-	-	5,281	5,281	5,281
Allocation of profits	(6,711,681)	(6,711,681)	409,902	6,301,779	6,711,681	-
Drawings	-	-	(409,935)	(6,491,755)	(6,901,690)	(6,901,690)
Other movements	-	-	(138,695)	224,167	85,472	85,472
Amounts due to members	-	-	4,224,737	-	4,224,737	4,224,737
Amounts due from members	-	-	-	(1,096,412)	(1,096,412)	(1,096,412)
Balance at 31 March 2018	14,165,251	14,165,251	4,224,737	(1,096,412)	3,128,325	17,293,576

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

Equity relates to undistributed profits of the LLP. The final division of profits to members is made once the annual accounts are approved on a discretionary basis.

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £88,661 (2017 - £62,649). Contributions totalling £14,897 (2017 - £14,121) were payable to the fund at the balance sheet date

24. Commitments under operating leases

At 31 March 2018 the Group and the LLP had future minimum lease payments under non-cancellable operating leases as follows:

Land and Buildings	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Not later than 1 year	829,040	829,040	829,040	829,040
Later than 1 year and not later than 5 years	3,316,160	3,316,160	3,316,160	3,316,160
Later than 5 years	847,261	1,676,301	847,261	1,676,301
	4,992,461	5,821,501	4,992,461	5,821,501
Total				
Other Operating Leases	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Not later than 1 year	21,249	57,410	21,249	57,410
Later than 1 year and not later than 5 years	39,841	9,616	39,841	9,616
	61,090	67,026	61,090	67,026
Total				

ARMA PARTNERS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

25. Related party transactions

The LLP has taken advantage of the exemption available in FRS102 Section 33 "Related Party Disclosures" not to disclose transactions with wholly owned Group companies.

During the year, Arma Partners LLP charged £21,197 (2017: £67,631) to US Arma Partners LP for the provision of services to US Arma Partners LP. In the same period, US Arma Partners LP charged Arma Partners LLP £263,085 for services (2017: £659,579). At 31 March 2018, the amount of £176,284 is outstanding and shown within "amounts due to related parties" (2017: £321,754 was outstanding and showing within "amounts due to related parties"). The members of Arma Partners LLP are all members of US Arma Partners LP.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the LLP. In the opinion of the partnership board the key management are the designated members.

At the year end, the capital held by the business but belonging to the designated members totalled £4,224,737 (2017: £4,363,465). During the year, the members contributed £409,902 (2017: £520,919) in capital and there were withdrawals of £548,630 (2017: £nil) in respect of the partners who left the business. The members took drawings and distributions in the year totalling £6,491,755 (2017: £6,575,327). The amount of profit available for discretionary distribution to members for the year is £14,185,702 (2017: £6,711,683). The amount of profit (including remuneration) which is attributable to the member with the largest entitlement to profit (including remuneration) in the year was £4,629,261 (2017: £1,904,227). Of this member's profit share £654,735 (2017: £271,079) is being retained as capital in the business, with a further £392,657 (2017: £204,684) retained from other members in respect of the same period.

The aggregate remuneration of key management personnel during the year was £14,185,702 (2017: £6,711,683).