

ABERFORTH UNIT TRUST MANAGERS LIMITED

Registered in Scotland No. 124771

REPORT AND FINANCIAL STATEMENTS

30 April 2017

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ABERFORTH UNIT TRUST MANAGERS LIMITED

Strategic Report

Review of the Business and Results

The Company is authorised and regulated by the Financial Conduct Authority and its activity comprises the management of one unit trust, the Aberforth UK Small Companies Fund ("Fund"). Trading during the year has been reasonable. The Company will continue to manage the unit trust and the Directors consider the prospects to be satisfactory. The Company has no employees and outsources investment advisory and management services in connection with the Fund to Aberforth Partners LLP, the ultimate parent entity. Unit dealing and registration is outsourced to Capita.

The profits for the financial year amounted to £12,000 (2016: £8,000) and this amount has been transferred to the Profit and Loss Account reserve. No final dividend will be declared in respect of the year to 30 April 2017.

Details of the Company's subsidiaries are in note 5 to the financial statements. Group financial statements have not been prepared as the subsidiary undertakings have been consolidated in the group financial statements of the ultimate parent entity, Aberforth Partners LLP. The Company is not subject to consolidated regulatory capital requirements.

Principal risks and uncertainties

The principal risks faced by the Company have been summarised below:

Client risk – the Company has a single client and is exposed to the underlying performance of the Fund and redemptions by the Fund's investors. The Board monitors the Fund's performance and investor inflows/outflows.

Regulatory Risk – failure to comply with applicable legal and regulatory requirements could lead to financial penalties or a qualified audit report. The Board reviews regular management information to monitor compliance with rules and regulation.

In summary, the Board regularly considers the principal risks associated with the Company and has measures in place to monitor them.



The above Strategic Report has been approved by the Board of Directors on 9 June 2017 and signed on its behalf by WA Waite, Director.

ABERFORTH UNIT TRUST MANAGERS LIMITED

Directors' Report

The Directors present their report and audited financial statements for the year ended 30 April 2017.

DIRECTORS AND THEIR INTERESTS

The directors of the company who were in office during the year were:

E R Macdonald; K F Muir; R M J Newbery; W A Waite and A J Whyte

The Directors listed above served during the whole year. On 1 May 2017, Messrs. P.R. Shaw and C.N. Watt were appointed as Directors of the Company. All of the Directors are partners in Aberforth Partners LLP which holds the beneficial interest in the whole of the issued share capital of the Company.

SHARE CAPITAL

There were no changes to the Company's share capital during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the directors, the following applies:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

By order of the Board

Aberforth Partners LLP
Secretaries
9 June 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERFORTH UNIT TRUST MANAGERS LIMITED

Report on the financial statements

Our opinion

In our opinion, Aberforth Unit Trust Managers Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit and cash flows 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 30 April 2017;
- the Profit and Loss Account for the year then ended;
- the Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

ABERFORTH UNIT TRUST MANAGERS LIMITED

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Lindsay Gardiner (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
9 June 2017

ABERFORTH UNIT TRUST MANAGERS LIMITED

Profit and Loss Account

For the financial year ended 30 April 2017

	Note	For year ended 30 April 2017 £'000	For year ended 30 April 2016 £'000
TURNOVER	2	1,503	1,314
Administrative expenses		(1,488)	(1,304)
OPERATING PROFIT	3	15	10
Other interest receivable and similar interest		-	-
Profit on ordinary activities before finance costs and taxation		15	10
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		15	10
Taxation on profit on ordinary activities	4	(3)	(2)
Profit for the financial year		12	8
Shareholders' funds at start of year		274	266
Shareholders' funds at end of year		286	274

The notes on Pages 9 to 12 form part of these financial statements.

ABERFORTH UNIT TRUST MANAGERS LIMITED

Balance Sheet

At 30 April 2017

	Note	As at 30 April 2017 £'000	As at 30 April 2016 £'000
FIXED ASSETS			
Investments	5	-	-
CURRENT ASSETS			
Debtors	6	1,751	1,536
Cash at bank and in hand		322	293
		2,073	1,829
CREDITORS			
Amounts falling due within one year	7	(1,787)	(1,555)
		286	274
NET CURRENT ASSETS		286	274
TOTAL ASSETS LESS CURRENT LIABILITIES			
		286	274
CAPITAL AND RESERVES			
Called up share capital	8	10	10
Profit and loss account	9	276	264
TOTAL SHAREHOLDERS' FUNDS		286	274

The financial statements on pages 6-12 were approved by the Board of Directors on 9 June 2017 and signed on its behalf by WA Waite, Director.



REGISTERED IN SCOTLAND NO. 124771

The notes on Pages 9 to 12 form part of these financial statements.

ABERFORTH UNIT TRUST MANAGERS LIMITED**Cash Flow Statement****For the financial year ended 30 April 2017**

	For year ended 30 April 2017 £'000	For year ended 30 April 2016 £'000
Operating Activities		
Operating profit	15	10
(Increase)/decrease in debtors	(215)	(161)
Increase/(decrease) in creditors	231	148
Taxation	(2)	(12)
Net cash inflow from operating activities	29	(15)
Financing Activities		
Equity dividends paid	-	-
Net cash inflow from financing activities	-	-
Net increase in cash and cash equivalents	29	(15)
Cash and cash equivalents at beginning of year	293	308
Cash and cash equivalents at end of year	322	293

The notes on Pages 9 to 12 form part of these financial statements.

ABERFORTH UNIT TRUST MANAGERS LIMITED

Notes to the financial statements

1. ACCOUNTING POLICIES

Statutory information

Aberforth Unit Trust Managers Limited is a company domiciled in Scotland, registration number 124771. The registered office is 14 Melville Street, Edinburgh, EH3 7NS.

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom including Financial Reporting Standard 102 (FRS 102).

The functional and presentation currency is pounds sterling, which is the currency of the environment in which the company operates.

The principal accounting policies, which have been applied consistently throughout the financial year, are set out below.

Turnover

The unit trust management fee and profit on dealing in units are accounted for on an accruals basis. The unit trust management fee is 0.75% per annum of the valuation of the unit trust's property which is invoiced monthly in arrears.

Group financial statements

Group financial statements have not been prepared as the subsidiary undertakings have been consolidated in the group financial statements of the ultimate parent entity. The ultimate parent entity and controlling party is Aberforth Partners LLP, a limited liability partnership incorporated in the United Kingdom.

2. TURNOVER

	For year ended 30 April 2017 £'000	For year ended 30 April 2016 £'000
Unit trust management fee	1,503	1,315
Profit/(loss) on dealing in units	-	(1)
	1,503	1,314

ABERFORTH UNIT TRUST MANAGERS LIMITED

Notes to the financial statements (Continued)

3. OPERATING PROFIT

This is stated after charging:

	For year ended 30 April 2017 £'000	For year ended 30 April 2016 £'000
Directors' remuneration	-	-
Auditor's fee - for audit services (incl VAT)	35	19
- for non-audit services: tax compliance services (incl VAT)	3	3

The partners of Aberforth Partners LLP are also the Directors of the Company and are not directly remunerated for their services to the Company.

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	For year ended 30 April 2017 £'000	For year ended 30 April 2016 £'000
Current year tax charge	3	2
Tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK. The differences are explained below.		
Profit on ordinary activities before taxation	15	10
Corporation tax at 19.9% (2016: 20%)	3	2

Per the Finance (No.2) Act 2015, which was substantively enacted on 26 October 2015, a reduction was made to the UK corporation tax rate from 20% to 19% from 1 April 2017. There will be a further reduction in the rate to 17% from 1 April 2020 per the 2016 Budget which was substantively enacted in the Finance Act 2016.

ABERFORTH UNIT TRUST MANAGERS LIMITED

Notes to the financial statements (Continued)

5. INVESTMENTS

Subsidiaries at cost	% owned	As at 30 April 2017 £	As at 30 April 2016 £
Aberforth LGP IA Limited	100%	100	100
Aberforth LGP IB Limited	100%	100	100
		200	200

None of the above subsidiary undertakings, all of which are registered in the United Kingdom, are trading.

6. DEBTORS

	As at 30 April 2017 £'000	As at 30 April 2016 £'000
Outstanding sales of units	1,500	1,061
Outstanding cancellations of units	102	382
Prepayments and accrued income	149	93
	1,751	1,536

7. CREDITORS AMOUNTS DUE WITHIN ONE YEAR

	As at 30 April 2017 £'000	As at 30 April 2016 £'000
Outstanding repurchases of units	207	654
Outstanding creations of units	1,396	786
Amounts owed to group undertakings	3	3
Corporation tax payable	3	2
Accruals and deferred income	178	110
	1,787	1,555

ABERFORTH UNIT TRUST MANAGERS LIMITED

Notes to the financial statements (Continued)

8. CALLED UP SHARE CAPITAL

At 30 April 2016 and 30 April 2017:

Authorised – ordinary shares of £1 each	<u>10,000</u>
Allotted, issued, fully paid	<u>£10,000</u>

The whole of the issued share capital is owned by Aberforth Partners LLP.

9. PROFIT AND LOSS ACCOUNT

	For year ended 30 April 2017 £'000	For year ended 30 April 2016 £'000
Balance at start of financial year	264	256
Profit for the financial year	12	8
Balance at end of financial year	276	264

10. RELATED PARTY DISCLOSURES

In accordance with the exemption granted under Financial Reporting Standard 8, Related Party Disclosures, the Company does not disclose transactions with other group companies.

Aberforth UK Small Companies Fund ('the Fund') is a related party as, under the investment management agreement in place, the Company has the ability to control the operating and financial policies of the fund. During the year, £1,503,000 (2016: £1,315,000) was recognised from the Fund as investment management revenue and at 30 April 2017, £149,000 (2016: £93,000) was outstanding. Furthermore, as disclosed in note 6 (Debtors) and 7 (Creditors), at 30 April 2017, amounts receivable from the Fund for the cancellation of units amounted to £102,000 (2016: £382,000) and amounts payable to the Fund for the creation of units amounted to £1,396,000 (2016: £786,000).

11. COMMITMENTS

The Company has entered into contracts as follows -

- (a) a trust deed, and four supplementary deeds of trust together constituting Aberforth UK Small Companies Fund ("the Fund") in terms of which the Company has agreed to act as manager of the Fund; and
- (b) a discretionary investment management agreement with Aberforth Partners LLP ("the Partnership"), appointing the Partnership to provide investment advisory and management services in connection with the Fund.