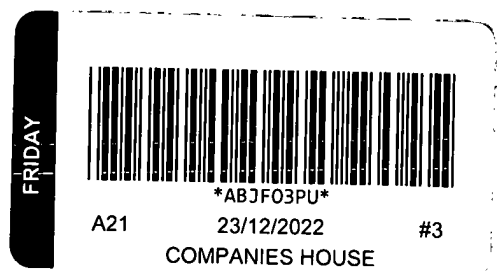


Brompton Asset Management Limited

Report and Financial Statements

Registered Number 06866020

31 March 2022



Brompton Asset Management Limited
Report and financial statements

31 March 2022

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Brompton Asset Management Limited
Report and financial statements

31 March 2022

Registered office

1 Knightsbridge Green
London
SW1X 7QA

Company number

06866020

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Directors' report

The directors present their report together with the audited financial statements for the year ended 31 March 2022.

Principal activities and business review

Brompton Asset Management Limited ('the Company'), formerly Brompton Investment Funds Limited, was registered at Companies House on 1 April 2009. The principal activity of the company is to carry on the business of managing and advising on investments. The Company was dormant until 1 December 2021.

Upon achieving regulated status from the Financial Conduct Authority ('FCA') on 1 December 2021, the Company acquired the assets and liabilities and all the regulated activities of Brompton Asset Management LLP. The Company now manages or advises private clients, including family trusts and pension plans, charities and companies. The Company also provides discretionary fund management services to Independent Financial Advisory ('IFA') strategic relationships and currently is the investment manager or investment adviser of 14 OEIC sub-funds and unit trusts.

Following the transfer BAM began to manage and advise on assets of £1.3 billion on behalf of a variety of fund, advisory and private clients. At 31 March 2022, the assets under management and advice remained at £1.3 billion (2021: £nil). After taxation of £170,000, £725,000 has been transferred to reserves.

Results and dividends

The profit and loss account is set out on page 11. The profit for the financial year before taxation was £895,000 (2021: nil). This represents 4 months of trading activity since the Transfer.

In the financial year the Company did not pay or propose any dividends (2021: £nil).

Political and charitable contributions

The Company made charitable contributions of £nil during the year (2021: £nil) and no political donations (2021: £nil).

Directors and directors' interests in shares

The directors of the Company who served during the year and to the date of the report were:

J L Duffield (Chairman)
M R L Astor
J P B Jay
R F J H Ruvigny

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Directors' report (*continued*)

MIFIDPRU 8 (Previously Pillar 3) public disclosures

BAM is required by its regulator, the FCA, to make various disclosures under the Investment Firm Prudential Regime regarding its capital position and its management of risk. This disclosure can be found on the Brompton Asset Management Group LLP website www.bromptonam.com/about-brompton/pillar-3.

Going concern

The Directors believe that the going concern assumption for the Company is appropriate.

Auditor

Pursuant to section 487 of the Companies Act 2006, KPMG LLP were appointed auditors for the year ended 31 March 2022.

Strategic Report Exemption

The Directors are entitled under section 414B of the Companies Act 2006 to the small companies exemption in relation the strategic report for the year.

Approval

These financial statements have been approved by the Directors on 14 September 2022.

By Order of the Board



Rupert Ruvigny
Director

Registered address:
1 Knightsbridge Green
London
United Kingdom
SW1X 7QA

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Independent auditor's report to the members of Brompton Asset Management Limited

Opinion

We have audited the financial statements of Brompton Asset Management Limited ("the company") for the year ended 31 March 2022 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its Profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Independent auditor's report to the directors of Brompton Asset Management Limited (*continued*)

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.
- However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journals.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Independent auditor's report to the directors of Brompton Asset Management Limited (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, data protection, anti-money laundering and certain aspects of company legislation recognizing the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant enquiries, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Independent auditor's report to the directors of Brompton Asset Management Limited *(continued)*

Directors' report

The directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company'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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Independent auditor's report to the directors of Brompton Asset Management Limited (*continued*)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Roberts (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
315 St Vincent St
Glasgow
G2 5AS

15 September 2022

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Profit and loss account

	<i>Note</i>	Year ended 31 March 2022	Year ended 31 March 2021
		£ '000	£ '000
Revenue		2,336	-
Operating expenses		<u>(1,442)</u>	<u>-</u>
Operating profit	2	894	-
Other interest receivable and similar income	3	7	-
Interest payable and similar charges	4	<u>(6)</u>	<u>-</u>
Profit for the financial year before taxation		895	-
Taxation	5	<u>(170)</u>	<u>-</u>
Profit for the financial year after taxation		<u><u>725</u></u>	<u><u>-</u></u>

BAM has no recognised gains and losses other than the profit for the financial year which is wholly arrived at from continuing activities. Accordingly no statement of other comprehensive income is presented.

The notes on pages 16 to 20 form part of these financial statements.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Balance sheet

	<i>Note</i>	31 March 2022 £ '000	31 March 2021 £ '000
Current assets			
Debtors	6	1,058	-
Intercompany Assets		3	-
Cash at bank and in hand		811	-
		<u>1,872</u>	<u>-</u>
 Creditors: amounts falling due within one year	 7	 <u>(447)</u>	 <u>-</u>
 Total assets less current liabilities		 1,425	 -
 Net assets attributable to members		 <u>1,425</u>	 <u>-</u>
 Capital and reserves			
Called up share capital	9	1	-
Share premium account	10	699	-
 Profit and loss account		 725	 -
 Equity shareholders' funds		 <u>1,425</u>	 <u>-</u>

The notes on pages 16 to 20 form part of these financial statements.

Approved by the Board and authorised for issue on 14 September 2022 and signed on its behalf by:



Rupert Ruvigny
Director

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Statement of changes in equity

	Called up share capital £ '000	Share premium account £'000	Profit and loss account £ '000	Equity shareholders' funds £ '000
Balance at 1 April 2021	-	-	-	-
Shares issued	1	699	-	700
Profit after taxation	-	-	725	725
Dividends paid during the year	-	-	-	-
At 31 March 2022	<u>1</u>	<u>699</u>	<u>725</u>	<u>1,425</u>

	Called up share capital £ '000	Share premium account £'000	Profit and loss account £ '000	Equity shareholders' funds £ '000
Balance at 1 April 2020	-	-	-	-
Shares issued	-	-	-	-
Profit after taxation	-	-	-	-
Dividends paid during the year	-	-	-	-
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The notes on pages 16 to 20 form part of these financial statements.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

(a) Basis of preparation

The financial statements have been prepared in accordance with law and UK accounting standards including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice), under the historical cost accounting convention.

The Company's ultimate parent undertaking, Brompton Asset Management Group LLP includes the Company in its consolidated financial statements. The consolidated financial statements of Brompton Asset Management Group LLP are prepared in accordance with Financial Reporting Standards 102 and are available to the public and may be obtained from Companies House. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow and related notes

(b) Revenue

Revenue represents management and advisory fees. Revenue is recognised on an accruals basis.

(c) Operating expenses

Operating expenses include direct administration costs, nomination fees and a management recharge for all other indirect costs.

Nomination fees are payable to Brompton Asset Management Holdings Limited ('BAM Holdings') as the holder of the Sponsorship rights to the Grosvenor and WAY funds. Amongst other things the Sponsorship rights enables BAM Holdings to appoint the investment manager.

All expenses are recognised on an accruals basis.

(d) Interest

Interest is charged on intergroup debtors at the rate agreed between the parties and recognised on an accrual basis.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Notes to the financial statements (*continued*)
Accounting policies (*continued*)

(e) Management charge

BAM Holdings, a fellow subsidiary within the Brompton Asset Management Group, acted as the service company for all entities in the Brompton Asset Management Group up until 1 December 2021. Since that date BAM Holdings has been mainly the service company for the asset management business only.

All costs are recharged to the relevant group entity.

(f) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

(g) Taxation

Current tax is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable against suitable taxable profits from which the underlying timing differences can be deducted.

(h) Going concern

The Company is a subsidiary of Brompton AM LLP (formerly Brompton Asset Management LLP) which is in turn a subsidiary of BAMG LLP. Other members of the Group provide operational and administrative functions on behalf of the company. Therefore in assessing the going concern assumption for the company, the Directors have also considered the financial prospects of the wider Group.

The Group has prepared forecasts for at least the next 12 months which show sufficient cash resources to enable the Group to meet its liabilities as they fall due. The Directors have considered severe-but-plausible downside scenarios including the broader macroeconomic conditions, the impact of high inflation and an increase of central bank interest rates.

The Group's operations have remained resilient over the past 12 months. The Directors considered the overall impact on the Group and they believe that the going concern assumption is appropriate

Brompton Asset Management Limited
Report and financial statements

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Notes to the financial statements *(continued)*

2 Operating profit

Profit for the financial year before members' profit shares has been arrived at after charging/(crediting):

	Year ended 31 March 2022 £ '000	Year ended 31 March 2021 £ '000
Nomination fees	688	-
Management recharge	656	-

The fees paid to the auditor have been included in the management recharge for each group entity. Remuneration for audit services paid to KPMG LLP during 2022 was £12,400 (2021: nil) and for regulatory reporting related services was £9,400 (2021: nil).

3 Other interest receivable and similar income

	Year ended 31 March 2022 £ '000	Year ended 31 March 2021 £ '000
Intergroup interest receivable	7	-

All intercompany balances are payable on demand

4 Interest payable and similar charges

	Year ended 31 March 2022 £ '000	Year ended 31 March 2021 £ '000
Intergroup interest payable	6	-

All intercompany balances are payable on demand

Brompton Asset Management Limited
Report and financial statements

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Notes to the financial statements *(continued)*

5 Taxation

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Current tax reconciliation		
(a) Analysis of charge for the year		
Tax charge for the year	170	-
Adjustment for under/(over) accrual for prior year	-	-
United Kingdom Corporation Tax	<u>170</u>	<u>-</u>
Tax charge for the year:		
(b) Factors affecting the tax charge for the year		
Profit/(Loss) before tax	<u>895</u>	<u>-</u>
United Kingdom corporation tax/(loss relief) at 19% (2021: 19%) based on profit for the year	170	-
Effects of:		
Expenses not deductible for tax purposes	-	-
Tax charge for the year	<u>170</u>	<u>-</u>

At 31 March 2022 the Company had no unutilised tax losses (2021: £nil).

6 Debtors

	Year ended 31 March 2022 £ '000	Year ended 31 March 2021 £ '000
<i>Due within one year:</i>		
Trade debtors	57	-
Accrued income	<u>1,001</u>	<u>-</u>
	<u>1,058</u>	<u>-</u>

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Notes to the financial statements *(continued)*

7 Creditors: amounts falling due within one year

	Year ended 31 March 2022 £ '000	Year ended 31 March 2021 £ '000
Trade creditors	44	-
Accruals	23	-
Other creditors	10	-
HMRC	179	-
Intercompany	191	-
	<u>447</u>	<u>-</u>

8 Dividends

No dividends have been paid or proposed (2021: £nil).

9 Called up share capital

	Year ended 31 March 2022	Year ended 31 March 2021
Authorised:		
Ordinary shares of £1 each	1,000	1,000
Allotted, called up and issued:		-
Ordinary shares of £1 each	501	1

On 1 December 2021 the Company issued 500 shares with a nominal value of £1 each. These shares were sold at £1,400 per share resulting in a share premium account of £699,500.

Brompton Asset Management Limited
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Notes to the financial statements *(continued)*

10 Share premium account

	Year ended 31 March 2022 £ '000	Year ended 31 March 2021 £ '000
At 1 April	-	-
Shares issued	699	-
At 31 March	<u>699</u>	<u>-</u>

On 1 December 2021 the Company issued 500 shares at a price of £1,400 per share resulting on a share premium account of £699,500.

11 Related party transactions

Included within operating expenses is the management charge of £656,000 (2021: nil) payable to BAM Holdings.

BAM Holdings paid most of the costs of the Brompton Group and then recharged the relevant entities a management charge to allocate all such costs. From 1 December 2021, BAM Holdings paid costs mainly for the Company and Brompton Asset Management Services Ltd.

The Company pays BAM Holdings for its nomination as the investment manager of the WAY funds and the Grosvenor funds. Nomination fees of £688,000 (2021: £nil) were paid to BAM Holdings.

The Company paid interest of £6,000 (2021: nil) and received interest of £7,000 (2021: nil) from other group companies.

The Company manages investments totalling £1.3bn (2021: £nil), approximately £0.328bn (2021: £nil) are owned or associated with a number of members of the Brompton Asset Management Group LLP. All related parties are charged market rates.

12 Ultimate parent undertaking

Brompton AM LLP is the direct parent undertaking and Brompton Asset Management Group LLP is the ultimate parent undertaking.

The only entity in the group to prepare consolidated accounts for the year ended 31 March 2022 is Brompton Asset Management Group LLP. A copy of its annual report and accounts for the year ended 31 March 2022 is available from Companies House or its registered office at 1 Knightsbridge Green, London SW1X 7QA.

Brompton Asset Management Limited
Report and financial statements

31 March 2022

Notes to the financial statements (*continued*)

13 Post balance sheet events

Since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report or the financial statements that has significantly affected the results of those operations or the state of affairs of this entity at the balance sheet date.