

SALTUS PARTNERS LLP
MEMBERS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Registered Number: OC308328

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SALTUS PARTNERS LLP

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FOR THE YEAR ENDED 31 MARCH 2018

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SALTUS PARTNERS LLP

GENERAL INFORMATION

FOR THE YEAR ENDED 31 MARCH 2018

DESIGNATED MEMBERS:

S P Armstrong
J H Macintosh

MEMBERS:

A M J Albery
D E Andrews
P J Armstrong
P J Bevan
K M Blanchard
C M Brady
D Cooke
C H Cunningham
E H Fitzwilliam-Lay
H S Garmoyle
M S Greenburg
D Goulandris (appointed 12.06.2018)
S A Hackett
M M Krait
J N Lang
S J Macintosh
A W Marchant
D V Meads
B Money Coutts
P Noth (appointed 25.04.2018)
K Ovenden (appointed 01.10.2017)
N Owen (appointed 01.10.2017)
J G R Philip
R Sharp (appointed 22.05.2018)
E A Shore
N Stebbing (appointed 03.10.2017)
M S Stimpson
P A Stock (appointed 01.05.2018)
J Wilkinson
Dragon Eye Design Limited
Hampden Capital plc
Octofelix Limited (appointed 27.04.2018)
Parsifal Enterprise Ltd (appointed 24.04.2018)
Pelham Capital Investments Ltd (appointed 27.04.2018)
Saltus Partners Limited
The Vitae Trading Company Limited
TMF Trustees Singapore Ltd (appointed 11.05.2018)
Yelnats LLC

SALTUS PARTNERS LLP

GENERAL INFORMATION (continued)

FOR THE YEAR ENDED 31 MARCH 2018

**ADDRESS AND
REGISTERED OFFICE:**

Solent Business Park
3700 Parkway
Whiteley
Fareham
PO15 7AW

REGISTERED NUMBER:

OC308328 (England and Wales)

AUDITORS:

haysmacintyre
10 Queen Street
London
EC4R 1AG

SALTUS PARTNERS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The members present their report with the audited consolidated financial statements of the Group for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of advising and arranging deals in investments. Both the LLP and Saltus Financial Planning Ltd are regulated by the Financial Conduct Authority to undertake investment and financial planning business.

REVIEW OF BUSINESS

The results for the year and financial position of the Group and LLP are as shown in the Statement of Comprehensive Income on page 7 and the Statement of Financial Position on pages 8 and 9.

DESIGNATED MEMBERS

The designated members who served during the year were as follows:

S P Armstrong
J H Macintosh

MEMBERS

The members who served during the year have been detailed on page 1 within General Information. During the year the following members resigned:

S A Fyfe (resigned 31.08.2017)
F M Macdonald (resigned 31.08.2017)
K A Smith (resigned 31.08.2017)

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The group's profit for the year was £2,784,405 (2017: £2,247,144). Any profits and losses shared among members are governed by the amended and restated LLP agreement dated 19 April 2018.

POLICY FOR MEMBERS' DRAWINGS, SUBSCRIPTIONS AND REPAYMENT OF MEMBERS' CAPITAL

The policy for members' drawings, subscriptions and repayment of members' capital are governed by the amended and restated LLP agreement dated 19 April 2018.

SALTUS PARTNERS LLP

MEMBERS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law, as applied by the Limited Liability partnership (Accounts and Audit) (Application of Companies Act 2006) regulations 2008, requires members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law, as applied to LLP's, 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 of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 and LLP's auditors are aware; 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 and the LLP's auditors are aware of that information.

AUDITORS

The auditors, haysmacintyre, will be proposed for re-appointment.

ON BEHALF OF THE MEMBERS


S P Armstrong
Designated Member


J H Macintosh
Designated Member

Date: 03 July 2018

Opinion

We have audited the financial statements of Saltus Partners LLP for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, LLP statement of financial position, consolidated statement of changes in equity, LLP statement of changes in equity, consolidated cash flow and 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 Financial Reporting Standard 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 and the limited liability partnership's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008.

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 LLP 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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, 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
- certain disclosures of members' remuneration specified by law are not made; 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 LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

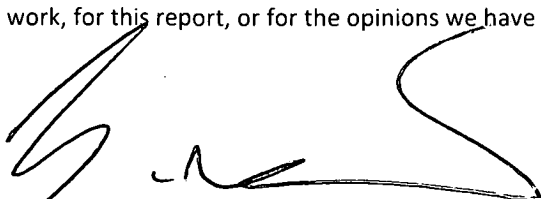
Auditor's responsibilities for the audit of the financial statements

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.

Use of this Report

This report is made solely to the 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 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Wilks (Senior Statutory Auditor)

For and on behalf of haysmacintyre, Statutory Auditors

03 July 2018

10 Queen Street Place
London
EC4R 1AG

SALTUS PARTNERS LLP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
TURNOVER	2.2, 4	7,227,874	6,347,912
Cost of sales		(486,881)	(464,905)
GROSS PROFIT		6,740,993	5,883,007
Administrative expenses		(3,904,056)	(3,584,356)
OPERATING PROFIT	5	2,836,937	2,298,651
Share of profit of joint venture		11,821	2,943
Interest payable		(1,977)	(798)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,846,781	2,300,796
Tax on profit on ordinary activities in corporate subsidiaries	8	(62,376)	(53,652)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		2,784,405	2,247,144
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		2,784,405	2,247,144

Turnover and operating profit for the year were derived from continuing operations.

The LLP has no recognised gains or losses other than the profit for the current year.

There was no other comprehensive income in the year (2017: £nil).

The notes on pages 13 to 24 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible fixed assets	9	1,328,992	1,516,578
Tangible fixed assets	10	155,048	116,948
Investments	11	11,821	2,943
		<u>1,495,861</u>	<u>1,636,469</u>
CURRENT ASSETS			
Debtors	12	3,210,381	2,730,812
Investments	13	500,389	-
Cash at bank	14	1,990,369	2,241,900
		<u>5,701,139</u>	<u>4,972,712</u>
CREDITORS: amounts falling due within one year	15	<u>(770,128)</u>	<u>(670,282)</u>
NET CURRENT ASSETS		<u>4,931,011</u>	<u>4,302,430</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,426,872</u>	<u>5,938,899</u>
CREDITORS: amounts falling due after one year	16	<u>(9,813)</u>	<u>(23,726)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u><u>6,417,059</u></u>	<u><u>5,915,173</u></u>
REPRESENTED BY:			
Equity			
Members' capital		3,003,712	3,081,457
Other reserve		3,413,347	2,833,716
		<u>6,417,059</u>	<u>5,915,173</u>
TOTAL MEMBERS' INTERESTS			
Amounts due from members	12	(2,372,057)	(1,867,349)
Members' other interests		6,417,059	5,915,173
		<u>4,045,002</u>	<u>4,047,824</u>

The notes on pages 13 to 24 form part of these financial statements. The financial statements were approved and authorised for issue by the members on 03 July 2018 and were signed below on its behalf by:



H Macintosh
Designated Member



S P Armstrong
Designated Member

LLP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible fixed assets	9	158,706	190,834
Tangible fixed assets	10	155,048	116,948
Investments	11	2,010,000	2,010,000
CURRENT ASSETS		2,323,753	2,317,782
Debtors	12	3,161,747	2,618,980
Investments	13	500,389	-
Cash at bank	14	1,113,329	1,613,466
		4,775,465	4,232,446
CREDITORS: amounts falling due within one year	15	(988,934)	(916,210)
NET CURRENT ASSETS		3,786,530	3,316,236
TOTAL ASSETS LESS CURRENT LIABILITIES		6,110,284	5,634,018
CREDITORS: amounts falling due after one year	16	(9,813)	(23,726)
NET ASSETS ATTRIBUTABLE TO MEMBERS		6,100,471	5,610,292
REPRESENTED BY:			
Equity			
Members' capital		3,003,712	3,081,457
Other reserve		3,096,759	2,528,835
		6,100,471	5,610,292
TOTAL MEMBERS' INTERESTS			
Amounts due from members	12	(2,372,057)	(1,867,349)
Members' other interests		6,100,471	5,610,292
		3,728,414	3,742,943

The notes on pages 13 to 24 form part of these financial statements. The financial statements were approved and authorised for issue by the members on 03 July 2018 and were signed below on its behalf by:

J H Macintosh
Designated Member

S P Armstrong
Designated Member

SALTUS PARTNERS LLP**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year available for discretionary division among members	2,784,405	2,247,144
Adjustments for:		
Depreciation of tangible assets	41,485	33,941
Amortisation of intangible assets	187,585	187,586
Loss on disposal of intangible assets	-	27,630
Interest received	(22,943)	-
Interest paid	24,920	-
(Increase)/decrease in debtors	25,139	(212,158)
Increase in creditors	88,680	107,287
Net cash generated from operating activities	3,129,271	2,390,632
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	22,943	-
Interest paid	(24,920)	-
Purchase of tangible fixed assets	(79,583)	(94,042)
Purchase of intangible fixed assets	-	-
Investment in money market fund	(500,000)	-
Net cash used in investing activities	(581,560)	(94,043)
NET CASH FROM FINANCING ACTIVITIES		
Capital contributions	80,000	110,000
Capital repayments	(129,832)	(22,500)
Drawings	(2,751,852)	(1,973,314)
Net cash used in financing activities	(2,799,242)	(1,885,814)
Net increase/(decrease) in cash and cash equivalents	(251,531)	410,776
Cash and cash equivalents at the beginning of year	2,241,900	1,831,124
Cash and cash equivalents at end of year	<u>1,990,369</u>	<u>2,241,900</u>

The notes on pages 13 to 24 form part of these financial statements.

SALTUS PARTNERS LLP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

GROUP

	Members' capital £	Other reserves £	Total members' Other Interests £	Loans and other debts due from members £	Total £
PRIOR YEAR					
Members' interests at 1 April 2016	3,006,457	1,843,593	4,850,050	(1,167,055)	3,682,995
Introduction of capital	110,000	-	110,000	-	110,000
Other transactions with members	(35,000)	15,998	(19,002)	-	(19,002)
Profit for the financial year for division among members	-	2,247,144	2,247,144	-	2,247,144
Members' interests after profit for the year	3,081,457	4,106,735	7,188,192	(1,167,055)	6,021,137
Allocation of profits	-	(1,273,019)	(1,273,019)	1,273,019	-
Drawings	-	-	-	(1,973,313)	(1,973,313)
Members' interests at 31 March 2017	3,081,457	2,833,716	5,915,173	(1,867,349)	4,047,824

	Members' capital £	Other reserves £	Total members' Other Interests £	Loans and other debts due from members £	Total £
CURRENT YEAR					
Members' interests at 1 April 2017	3,081,457	2,833,716	5,915,173	(1,867,349)	4,047,824
Introduction of capital	80,000	-	80,000	-	80,000
Other transactions with members	(127,390)	12,015	(115,375)	-	(115,375)
Profit for the financial year for division among members	-	2,784,405	2,784,405	-	2,784,405
Members' interests after profit for the year	3,034,067	5,630,136	8,664,203	(1,867,349)	6,796,854
Reserve transfer	(30,355)	30,355	-	-	-
Allocation of profits	-	(2,247,144)	(2,247,144)	2,247,144	-
Drawings	-	-	-	(2,751,852)	(2,751,852)
Members' interests at 31 March 2018	3,003,712	3,413,347	6,417,051	(2,372,057)	4,045,002

The notes on pages 13 to 24 form part of these financial statements.

SALTUS PARTNERS LLP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018
LLP

PRIOR YEAR	Members capital	Other reserves	Total members' Other Interests	Loans and other debts due from members	Total
Members' interests at 1 April 2016	3,006,457	1,559,915	4,566,372	(1,167,055)	3,399,317
Introduction of capital	110,000	-	110,000	-	110,000
Capital repayment	(35,000)	(4,000)	(39,000)	-	(39,000)
Profit for the financial year for division among members	-	2,245,939	2,245,939	-	2,245,939
Members' interests after profit for the year	3,081,457	3,801,854	6,883,311	(1,167,055)	5,716,256
Reserve transfer	-	-	-	-	-
Allocation of profits	-	(1,273,019)	(1,273,019)	1,273,019	-
Drawings	-	-	-	(1,973,313)	(1,973,313)
Members' interests at 31 March 2017	3,081,457	2,528,835	5,610,292	(1,867,349)	3,742,943

CURRENT YEAR

	Members capital	Other reserves	Total members' other interests	Loans and other debts due from members	Total
Members' interests at 1 April 2017	3,081,457	2,528,835	5,610,292	(1,867,349)	3,742,943
Introduction of capital	80,000	-	80,000	-	80,000
Capital repayment	(127,390)	(5,055)	(132,445)	-	(132,445)
Profit for the financial year for division among members	-	2,789,768	2,789,768	-	2,789,768
Members' interests after profit for the year	3,034,067	5,313,548	8,347,615	(1,867,349)	6,480,266
Reserve transfer	(30,355)	30,355	-	-	-
Allocation of profits	-	(2,247,144)	(2,247,144)	2,247,144	-
Drawings	-	-	-	(2,751,852)	(2,751,852)
Members' interests at 31 March 2018	3,003,712	3,096,759	6,100,471	(2,372,057)	3,728,414

The notes on pages 13 to 24 form part of these financial statements.

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

1. GENERAL INFORMATION

Saltus Partners LLP is a limited liability partnership incorporated and domiciled in England and Wales. The address of its registered office, and its trading address, is 3700 Parkway, Whiteley, PO15 7AW.

2. ACCOUNTING POLICIES**2.1 Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued on 1 January 2015. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The consolidated financial statements incorporate the financial statements of Saltus Partners LLP and its subsidiaries, Saltus Financial Planning Limited and Saltus (Channel Islands) Limited. The acquisition method of accounting has been adopted. The results and cash flows relating to a business are included in the consolidated profit and loss account and the consolidated cash flow statement from the date of acquisition.

2.2 Turnover

Turnover consists of fees exclusive of value added tax and is attributable to the supply of investment management services to funds arising from continuing activities in the UK.

2.3 Interest income

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

2.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquire plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

2.5 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The intellectual property is being amortised over a period of 3 years. The customer database is being amortised over a period of 5 years.

SALTUS PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018**

2.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset. The goodwill is amortised over a period of 3-10 years straight line with the expense being recognised in the profit and loss account on an annual basis.

2.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following bases:

Office equipment – over two to five years

Computer equipment – over three years

2.8 Fixed asset investments

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

2.9 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.

2.10 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.

2.11 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.

2.12 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

2.13 Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets are depreciated over the shorter of the lease term and their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance elements of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

SALTUS PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018**

2.14 Current investments

Current investments represent a money market fund deposit held by the LLP. This is held at its current value as per the money market fund provider statements.

2.15 Pension

The Group operates a defined contribution pension scheme. All contributions are charged to the Statement of Comprehensive Income in the period to which they relate.

2.16 Taxation

The taxation payable on the LLP's profit is a personal liability of the members during the year.

The UK subsidiary included within these consolidated financial statements is subject to corporation tax based on its profits for the financial year.

The subsidiary has obtained Exempt Company Status under category D of the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 -1996.

2.17 Foreign currency

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

2.18 Financial Instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from related parties.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future year.

Intangible assets

The useful life attributable to the benefit derived from both the fee income of the client base and the established brand name of Andrews Hammond Brady (acquired in 2016), will last for 5 years. As such the customer database has been amortised on this basis.

SALTUS PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018**

4. TURNOVER

	2018 £	2017 £
UK	5,744,881	4,877,076
Channel Islands and the Rest of the World	1,482,992	1,470,836
	<u>7,227,874</u>	<u>6,347,912</u>

All turnover was generated from the provision of advice for investments and financial planning.

5. OPERATING PROFIT

	2018 £	2017 £
The operating profit is stated after charging:		
Depreciation	41,485	33,941
Amortisation	187,586	188,340
Operating lease rentals	129,871	148,514
Finance lease rentals	10,430	889
	<u> </u>	<u> </u>

Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	13,450	12,800
Taxation compliance services	17,445	17,100
All other services	2,625	615
	<u>33,520</u>	<u>30,515</u>

6. MEMBERS REMUNERATION

The average number of members during the year was 16 (2017: 16).

The LLP's profit for the year available for discretionary division among members was £2,789,768 (2017: £2,245,939).

The profits for the year to 31 March 2018 have been allocated within the year. The member entitled to the highest profit share was allocated £285,515 (2017: £230,845) after the year-end. The members are considered to be the key management personnel.

SALTUS PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018**

7. STAFF COSTS	2018	2017
	£	£
Wages and salaries	1,119,451	954,455
Social security costs	112,224	91,864
Pension costs	13,713	8,192
Termination payments	27,850	-
	<u>1,273,237</u>	<u>1,054,511</u>
	No.	No.
The average monthly number of employees during the year was:	<u>36</u>	<u>33</u>
8. TAXATION	2018	2017
	£	£
Corporation tax		
Current tax on profits for the year	<u>62,376</u>	<u>53,652</u>
Total current tax	<u>62,376</u>	<u>53,652</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

8 TAXATION (continued)

Factors affecting tax charge for the year

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

	2018	2017
	£	£
Profit on ordinary activities before tax	2,846,781	2,300,796
Less profit arising in limited liability partnership	(2,114,299)	(1,646,321)
Less profit arising in overseas subsidiary	(618,003)	(546,800)
	<u>132,479</u>	<u>107,675</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2017 – 20%)	25,171	21,535
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	29,537	31,282
Expenses not deductible for tax purposes, other than goodwill amortisation and	7,668	8,082
Other timing differences leading to an increase in taxation	-	(3,959)
Non-taxable income	-	(3,288)
Total tax charge for the year	<u>62,376</u>	<u>53,652</u>

Factors that may affect future tax charges

There were no factors that may affect the future tax charges.

SALTUS PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

9. INTANGIBLE ASSETS

GROUP

	Goodwill	Customer Database	Total
	£	£	£
Cost			
At 1 April 2017	321,286	1,498,704	1,819,990
Additions	-	-	-
Disposals	-	-	-
At 31 March 2018	<u>321,286</u>	<u>1,498,704</u>	<u>1,819,990</u>
Amortisation			
At 1 April 2017	130,452	172,961	303,413
Amortisation charge for the year	32,129	155,456	187,585
Eliminated on disposal	-	-	-
At 31 March 2018	<u>162,581</u>	<u>328,417</u>	<u>490,998</u>
Net Book Value			
At 31 March 2018	<u>158,705</u>	<u>1,170,287</u>	<u>1,328,992</u>
At 31 March 2017	<u>190,834</u>	<u>1,325,744</u>	<u>1,516,578</u>

LLP

	Goodwill	Total
	£	£
Cost		
At 1 April 2017	321,286	321,286
Additions	-	-
Disposals	-	-
At 31 March 2018	<u>321,286</u>	<u>321,286</u>
Amortisation		
At 1 April 2017	130,452	130,452
Amortisation charge	32,129	32,129
Eliminated on disposal	-	-
At 31 March 2018	<u>162,581</u>	<u>162,581</u>
Net Book Value		
At 31 March 2018	<u>158,705</u>	<u>158,705</u>
At 31 March 2017	<u>190,834</u>	<u>190,834</u>

SALTUS PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

10. TANGIBLE FIXED ASSETS

GROUP	Computer Equipment £	Office Equipment £	Total £
Cost			
At 1 April 2017	66,827	118,637	185,464
Additions	63,055	16,528	79,583
Disposals	-	-	-
At 31 March 2018	129,884	135,165	265,048
Depreciation			
At 1 April 2017	37,145	31,371	68,516
Charge for year	17,851	23,634	41,485
Eliminated on disposal	-	-	-
At 31 March 2018	54,995	55,004	110,000
Net Book Value			
At 31 March 2018	74,888	80,160	155,048
At 31 March 2017	29,684	87,266	116,948
LLP	Computer Equipment £	Office Equipment £	Total £
Cost			
At 1 April 2017	66,827	118,637	185,464
Additions	63,055	16,528	79,583
Disposals	-	-	-
At 31 March 2018	129,884	135,165	265,048
Depreciation			
At 1 April 2017	37,145	31,371	68,516
Charge for year	17,851	23,634	41,485
Eliminated on disposal	-	-	-
At 31 March 2018	54,995	55,004	110,000
Net Book Value			
At 31 March 2018	74,888	80,160	155,048
At 31 March 2017	29,684	87,266	116,948

SALTUS PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

11. FIXED ASSET INVESTMENTS

£

GROUP

At 31 March 2017	2,943
Share of profits from joint venture	8,878

31 March 2018	<u>11,821</u>
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LLP

At 31 March 2017	2,010,000
Addition	-

31 March 2018	<u>2,010,000</u>
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The investment of £2,010,000 represents investments of £20,000 and £1,990,000. The investment of £20,000 represents 100% holding in Saltus (Channel Islands) Limited, a company incorporated and registered in Guernsey (registered office is Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR) and £1,990,000 representing a 100% holding in Saltus Financial Planning Limited a company incorporated in the UK (registered address is Solent Business Park, 3700 Parkway, Whiteley, Fareham, PO15 7AW).

12. DEBTORS

	2018		2017	
	Group £	LLP £	Group £	LLP £
Trade debtors	585,477	442,806	507,914	433,722
Amounts owed by members	2,372,057	2,372,057	1,867,349	1,867,349
Amounts owed by subsidiaries	-	237,345	-	187,743
Other debtors	70,423	6,955	206,758	46,900
Prepayments and accrued income	182,424	102,588	148,791	83,266
	<u>3,210,381</u>	<u>3,161,747</u>	<u>2,730,812</u>	<u>2,618,980</u>

SALTUS PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018**

13. INVESTMENTS

	2018		2017	
	Group £	LLP £	Group £	LLP £
Money market fund deposit	500,389	500,389	-	-

On 25 February 2018 £500,000 was invested in a money market fund, with interest being accrued monthly. The funds are accessible to Saltus Partners LLP immediately upon notification of the fund.

14. CASH AND CASH EQUIVALENTS

	2018		2017	
	Group £	LLP £	Group £	LLP £
Cash in hand	1,990,369	1,113,329	2,241,900	1,613,466

15. CREDITORS: amounts falling due within one year

	2018		2017	
	Group £	LLP £	Group £	LLP £
Trade creditors	91,828	91,828	12,748	12,748
Other taxes and social security	41,410	30,792	22,597	22,597
Other creditors	130,922	12,710	24,309	24,687
Corporation tax creditor	62,376	-	53,652	-
Finance lease creditor	13,914	13,914	13,004	13,004
Accruals and deferred income	429,678	384,697	543,972	387,641
Amounts owed to subsidiary	-	455,533	-	455,533
	<u>770,128</u>	<u>989,474</u>	<u>670,282</u>	<u>916,210</u>

A loan of £250,000 was provided by Saltus Channel Islands Limited on 20 January 2012. Interest is charged on the loan at a rate of 5% per annum. On 27 November 2012 a further £200,000 was provided by Saltus Channel Islands Limited at the same interest rate.

16. CREDITORS: amounts falling due in greater than one year

	2018		2017	
	Group £	LLP £	Group £	LLP £
Finance lease creditor	<u>9,813</u>	<u>9,813</u>	<u>23,726</u>	<u>23,726</u>

SALTUS PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018****17. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2018 the Group and LLP had future minimum commitments under non-cancellable operating leases as set out below:

GROUP & LLP	2018		2017	
	Land and Buildings £	Other £	Land & Buildings £	Other £
Within one year	93,370	28,281	133,379	14,955
Within one to two years	91,021	23,913	126,488	11,415
Within two to five years	94,395	70,202	238,996	6,895
	<u>278,786</u>	<u>122,396</u>	<u>498,863</u>	<u>33,265</u>

18. FINANCIAL INSTRUMENTS

	2018 £	2017 £
GROUP		
Cash and cash equivalents	1,990,369	2,241,900
Financial assets measured at amortised cost	746,199	851,820
	<u>2,736,568</u>	<u>3,093,720</u>
Financial liabilities measured at amortised cost	<u>(163,890)</u>	<u>(113,954)</u>
LLP		
Cash and cash equivalents	1,113,329	1,613,466
Financial assets measured at amortised cost	449,756	668,365
	<u>1,563,085</u>	<u>2,281,831</u>
Financial liabilities measured at amortised cost	<u>(96,199)</u>	<u>(95,809)</u>

Financial assets measured at amortised cost comprise trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, taxation balances and amounts due to group undertakings.

19. PROFIT FOR THE FINANCIAL YEAR

The parent LLP has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit of £2,785,405 (2017: £2,245,939) which is dealt with in the financial statements of the LLP.

SALTUS PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018**

20. RELATED PARTY TRANSACTIONS**Group**

The Group receives investment management and performance fees from certain independent companies on whose Board's members sit as non-executive directors.

Jon Macintosh (a LLP member) is a non-executive director of Guernsey Portfolios PCC Limited ("GPPCC"). The principal owner of Yelnats LLC (also a LLP member) is the president and principal owner of Sandalwood Securities Inc ("Sandalwood"), which is the investment advisor to AcenciA and entitled to investment advisory and performance fees therefrom.

Management fee income received by the Group from AcenciA during the year was £487,567 (2017: £646,317) and the amount outstanding at the year-end was £nil (2016: £nil). Investment advisory fees of £264,807 (2017: £355,474) were paid by AcenciA to Sandalwood and the amount due to them at the year-end was £28,196 (2017: £67,431).

Management fee and service income received by the Group from Guernsey Portfolios Protected Cell Company Limited during the year was £7,502,122 (2017: £6,308,687) and the amount outstanding at the year-end was £nil (2017: £nil).

LLP

The LLP recharges management costs to Saltus Financial Planning Ltd at cost (£1,074,359 (2017: £1,061,000)). At 31 March 2018 the amount owed to the LLP was £237,344 (2017: £187,743)

There is an intercompany loan from Saltus Channel Islands to the LLP, with interest of £22,439 paid in the year ended 31 March 2018 (2017: £22,439). As at 31 March 2018 the loan balance was £450,000 (2017: £450,000) with interest payable of £5,533 (2017: £5,533).

At 31 March 2018 there was a balance of £11,535 payable from Saltus Channel Islands to the LLP in relation to management fees (2017: £nil).

21. ULTIMATE CONTROLLING PARTY

The members consider that there is no one controlling party.

A. PILLAR III DISCLOSURE REQUIREMENTS (UNAUDITED)

Background

There are three supervisory pillars set out in the revised Basel Accord, which have been written into European Law through the Capital Requirements Directive ('CRD'), and further developed in the Pillar 2 guidance issued by the Committee of European Banking Supervisors ('CEBS').

Collectively Pillars 1, 2 and 3 form an overall framework for prudential supervision of banks, credit institutions and investment firms. The first pillar revises existing minimum regulatory capital standards for three major components of risk that firms face: credit, market and operational risk. The second pillar requires firms to assess the amount of internal capital they consider adequate to cover all of the risks to which they are, or likely to be, exposed. The third pillar requires firms to publish certain details of their risks, capital and risk management process.

The Pillar 3 disclosure must be done in accordance with a formal disclosure policy which sets out our policies for assessing the appropriateness of our disclosures, including their verification and frequency. The rules provide that firms may omit one or more of the required disclosures if we believe that the information is immaterial. Where we have considered a disclosure to be immaterial, we have stated this in the relevant section.

We are also permitted to omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential, which if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers and counterparties. Where we have omitted information for either of these two reasons we have stated this in the relevant section and the reasons for this.

Information covered under this Disclosure

In this document we disclose information, unless it has been determined as immaterial or of a proprietary or confidential nature, on:

- the scope and application of the directive requirements;
- our risk management objectives and policies;
- our capital resources;
- credit and market risk; and
- our compliance with the rules in BIPRU and on Pillar 2 requirements.

Scope and application of the directive requirements

The disclosures in this document are made in respect of Saltus Partners LLP ('Saltus' or the 'LLP') only. Saltus is a BIPRU €50k authorised firm regulated by the Financial Conduct Authority ('FCA') (FRN No. 402531) and as such it is subject to minimum regulatory capital requirements. The LLP is relatively small with a simple operational infrastructure. It provides discretionary investment management services to Retail and Professional clients and Eligible Counterparties. These disclosures do not include any statements for any other member of the Saltus Group (notably, the wholly owned subsidiary Saltus (Channel Islands) Limited). Saltus is required by the FCA to report its financial returns on an unconsolidated basis and consolidated basis for the Group.

Risk Management objectives and policies

The LLP is governed by its Designated Members who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the LLP's governance arrangements along with designing and implementing a risk management framework that recognises and manages the risks that the business faces. The Members meet on a regular basis and discuss profitability, cash flow, regulatory capital management and business planning and risk management. The Members manage the LLP's risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework.

Our risk management policy reflects the FCA requirement that we must manage a number of different categories of risk. These include, inter alia: credit, market, business, operational, insurance, liquidity and group risk. In respect of this disclosure it is the first four of these risks that are relevant and further information is provided on these risks below.

Business Risk

Our Pillar 2 business risk assessment principally takes the form of a fall in assets under management following a market downturn that leads to lower management fees. Different economic scenarios are modelled as part of our Internal Capital Adequacy Assessment Process ('ICAAP') to establish the impact of economic downturns on our financial position. Saltus's Partners are responsible for monitoring the impacts of any market downturn on the business. Controls implemented include the continuing monitoring of its budgets and expenses and fund management performance to determine any market risk. All figures are reviewed monthly by the Partners.

Operational Risk

Most of our risk management efforts are focused on operational risk. This includes everything, from risk to our high-level strategy to risk of administrative errors, fraud and theft. Our policy is to operate a robust and effective risk management process, embedded within the governance and management structures of our business. Our risk management framework defines what operational risk means to us and this is approved by the Partnership. The main initiative is the establishment of a 'Risk Map' which includes analysis of the key risk areas identified by the senior management. These areas cover specific risk items within the following areas: Financial; Strategy; Customer Service; Third Party Outsourcing; Operational; and Legal and Regulatory. We seek to identify the impact and probability of each risk item and rank it as high, medium or low. We also identify and implement measures to mitigate the risk and monitor any residual risk on an ongoing basis. The Risk Map is appended to the ICAAP which is formally approved by the Partnership.

Credit risk

This risk relates to the exposure to non-payment of advisory fees and counterparty exposure relating to the LLP's bank balances and other debtors. This is monitored by the LLP's accounts team and reported monthly to the Members and Compliance Officer. Saltus has concluded that credit risk is immaterial in consideration to an assessment of the business and that no further action or additional capital is required to mitigate this risk.

Market risk

Under Pillar 1, we do not have any exposure to either foreign exchange risk or position risk, which together make up market risk.

Capital resources

Saltus's Capital Resources Requirement ('CRR') Pillar 1 calculation, as a Limited Licence Firm, is our Fixed Overheads Requirement (£841,000), which is higher than our base capital requirement (€50,000) or our Market Risk ('MR') and Credit Risk ('CR') (together £140,000). We hold £1,761,000 as Tier 1 capital to meet our current CRR.

Credit and Market Risk

Disclosures in relation to our credit and market risks have been considered immaterial under BIPRU 11.3.5R (Exemption from disclosure: Materiality), as our capital requirement under GENPRU 2.1.45R (Calculation of the variable capital requirement for a BIPRU firm), is our fixed overheads requirement rather than the sum of our credit risk capital requirement and our market risk capital requirement.

Compliance with rules in BIPRU and Pillar 2 rule requirements

Our overall approach to assessing the adequacy of our internal capital is set out in our ICAAP, which involves separate consideration of risks to our capital combined with stress testing using scenario analysis. The level of capital required to cover risks is a function of impact and probability. We assess impact by modelling the changes in our income and expenses caused by various potential risks over a 1-year time horizon. Probability is assessed subjectively. This is an ongoing process and should new risks materialise or be identified by the LLP then these risks will be incorporated into the overall review process.

Following the risk and capital requirement analysis undertaken by the senior management team, we have concluded that no additional capital is required under our Pillar 2 calculation. We hold £1,761,000 as Tier 1 capital which comfortably meets our fixed overhead requirement. In addition, we have a Professional Indemnity Insurance policy, which provides cover up to £5 million in aggregate which, in our opinion, mitigates the need to apportion capital in Pillar 2. Therefore, our Pillar 1 requirement is the minimum regulatory capital requirement that we will hold.

B. PILLAR III REMUNERATION DISCLOSURE STATEMENT

Introduction

This disclosure is made in respect of Saltus, which is authorised and regulated by the FCA to provide discretionary investment management services. This disclosure does not include any statements for any other group member or affiliate of Saltus.

The Remuneration Code ('the Code') implements the main provisions of the Third Capital Requirements Directive ('CRD3'), which relate to remuneration. The Committee of European Banking Supervisors ('CEBS') published their "Guidelines on Remuneration Policies and Practices" on 10 December 2010. The Remuneration Code also fulfils the FCA's duty under S.139A of the Financial Services and Markets Act 2000 ('FSMA') to have Rules requiring certain firms to have and act in accordance with a remuneration policy which is consistent with the effective management of risks and with the Financial Stability Board ('FSB') Compensation Standards.

The aim of the Remuneration Code is to ensure that firms have risk focused remuneration policies, which are consistent with and promote effective risk management and do not expose them to excessive risk. It expands upon the FCA's general organisational requirements as set out in the Systems and Controls ('SYSC') Handbook. As a BIPRU Limited Licence Firm,

we fall into the Proportionality Tier Four Firm category as it is considered by the FCA to be a firm that generates income from agency business without putting its balance sheet at risk. Consequently, we are subject to only a limited number of the FCA's Remuneration Code requirements as set out in SYSC 19A and BIPRU 11.5 of the FCA's Handbook.

We are required to only disclose specific information below relating to our remuneration arrangements. These disclosures are designed to complement our minimum capital requirement calculation (Pillar 1), the internal review of our capital adequacy (Pillar 2) and our risk disclosures (Pillar 3).

Governance

The remuneration of Partners, who comprise working members and investor members, is governed by the terms of the Partnership Agreement. All partners have capital invested and an equity interest in Saltus.

Working members receive a basic fixed profit share that is determined and typically reviewed annually by the Partnership Board. In addition to the basic fixed profit share, working members may receive an additional profit share which is determined on a discretionary basis by the Partnership Board for junior working members and as a proportion of profits for senior working members. Any profit that is available for distribution after these payments is distributed to all members pro rata to their equity interest in Saltus.

Saltus does not use the services of any external consultants to either determine or assist in the determination of its remuneration policy. We provide below aggregate quantitative information on our profit share broken down by business area. We have also provided aggregate quantitative information on profit share broken down by senior management and other members.

Breakdown of profit share of members in respect of whom disclosure is required by business area		
Business Area		Total profit share (£000)
Investment Management		1,265
Marketing		944
Finance & Operations		369
Other		242
Aggregate quantitative information on profit share broken down by senior management and other members		
Senior management (£000)	Other members (£000)	Total (£000)
991	1,829	2,820