

Zadig Asset Management LLP

Report And Financial Statements

31 March 2018

Rees Pollock
Chartered Accountants



Zadig Asset Management LLP

INFORMATION

Designated Members L M G Saglio
Zadig Asset Management Limited
V M R Bourgeois
P Philippon

LLP registered number OC313929

Registered office 38 Jermyn Street
London
SW1Y 6DN

Independent auditors Rees Pollock
35 New Bridge Street
London
EC4V 6BW

Bankers Coutts & Co
440 Strand
London
WC2R 0QS

MEMBERS' REPORT
For the Year Ended 31 March 2018

The members present their annual report together with the audited financial statements of Zadig Asset Management LLP (the LLP) for the year ended 31 March 2018.

Principal activities

The principal activity of the LLP during the year was that of investment advisory. The LLP is authorised and regulated by the Financial Conduct Authority ("FCA"). The members intend to continue to develop the business.

Designated Members

L M G Saglio, Zadig Asset Management Limited, V M R Bourgeois and P Philippon were designated members of the LLP during the period.

Policy regarding members' drawings and the subscription and repayment of members' capital

Members share profits and losses in accordance with the partnership agreement. Members' capital and drawings are determined by the regulatory capital requirements of the FCA and any trading needs of the LLP. Members' capital is not repayable except where allowed under FCA rules.

Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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

MEMBERS' REPORT (continued)
For the Year Ended 31 March 2018

Disclosure of information to auditors

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

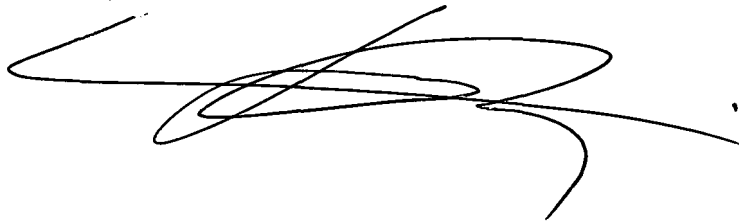
- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware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

Auditors

The auditors, Rees Pollock, have indicated their willingness to continue in office.

This report was approved by the members on 25/06/18 and signed on their behalf by:

L M G Saglio
Designated member

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZADIG ASSET MANAGEMENT LLP

Opinion

We have audited the financial statements of Zadig Asset Management LLP (the 'LLP') for the year ended 31 March 2018, set out on pages 5 to 12. 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 LLP'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) (Application 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZADIG ASSET MANAGEMENT LLP (CONTINUED)

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
- 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 on page 1, 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.

Auditors' 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 Auditors' 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 Auditors' report.

Use of our report

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Philip Vipond (Senior Statutory Auditor)
for and on behalf of

Rees Pollock, Statutory Auditor

Date:

29 June 2018

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover	2	4,386,519	3,252,587
Administrative expenses		(2,108,514)	(1,246,338)
Operating profit	3	2,278,005	2,006,249
Interest receivable and similar income		136	278
Profit for the year before members' remuneration and profit shares available for discretionary division among members		2,278,141	2,006,527
Total comprehensive income for the year		2,278,141	2,006,527

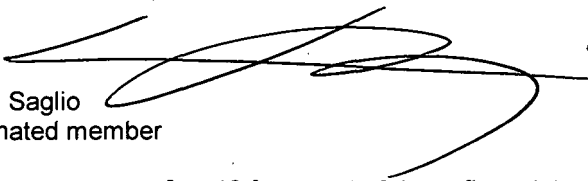
There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

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

BALANCE SHEET
As at 31 March 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	6	794,365	469,634
Cash at bank and in hand		2,293,618	2,918,624
		<u>3,087,983</u>	<u>3,388,258</u>
Creditors: amounts falling due within one year	7	(1,013,538)	(332,451)
Net current assets		2,074,445	3,055,807
Net assets		<u>2,074,445</u>	<u>3,055,807</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts		1,424,445	2,405,807
		<u>1,424,445</u>	<u>2,405,807</u>
Members' other interests			
Members' capital classified as equity	650,000	650,000	650,000
		<u>2,074,445</u>	<u>3,055,807</u>
Total members' interests			
Loans and other debts due to members		1,424,445	2,405,807
Members' other interests		650,000	650,000
		<u>2,074,445</u>	<u>3,055,807</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 25/06/18


L M G Saglio
Designated member

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

RECONCILIATION OF MEMBERS' INTERESTS
For the Year Ended 31 March 2018

	EQUITY Members' other interests			DEBT Loans and other debts due to members	Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £
Amounts due to members				1,721,786	
Members' interests: balance at 1 April 2016	650,000	-	650,000	1,721,786	2,371,786
Profit for the year available for discretionary division among members	-	2,006,527	2,006,527	-	2,006,527
Members' interests after profit for the year	650,000	2,006,527	2,656,527	1,721,786	4,378,313
Allocated profit for the year	-	(2,006,527)	(2,006,527)	2,006,527	-
Capital introduced by members	97,435	-	97,435	-	97,435
Capital amounts repaid to members	(97,435)	-	(97,435)	-	(97,435)
Amounts withdrawn by members	-	-	-	(1,322,506)	(1,322,506)
Amounts due to members				2,405,807	
Members' interests: balance at 31 March 2017	650,000	-	650,000	2,405,807	3,055,807
Profit for the year available for discretionary division among members	-	2,278,141	2,278,141	-	2,278,141
Members' interests after profit for the year	650,000	2,278,141	2,928,141	2,405,807	5,333,948
Allocated profit for the year	-	(2,278,141)	(2,278,141)	2,278,141	-
Capital introduced by members	81,250	-	81,250	-	81,250
Capital amounts repaid to members	(81,250)	-	(81,250)	-	(81,250)
Amounts withdrawn by members	-	-	-	(3,259,503)	(3,259,503)
Amounts due to members				1,424,445	
Members' interests: balance at 31 March 2018	650,000	-	650,000	1,424,445	2,074,445

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

Members' other interests rank after unsecured creditors, and loans and other debts due to members rank pari passu with unsecured creditors in the event of a winding up.

STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	2,278,141	2,006,527
Adjustments for:		
Interest received	(136)	(278)
(Increase) in debtors	(324,731)	(5,523)
Increase in creditors	681,087	36,979
Payments to members	(3,259,503)	(1,322,506)
Net cash generated from operating activities before transactions with members	<u>(625,142)</u>	<u>715,199</u>
Cash flows from investing activities		
Interest received	136	278
Net cash from investing activities	<u>136</u>	<u>278</u>
Members' capital contributed	81,250	97,435
Members' capital repaid	(81,250)	(97,435)
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(625,006)	715,477
Cash and cash equivalents at beginning of year	2,918,624	2,203,147
Cash and cash equivalents at the end of year	<u><u>2,293,618</u></u>	<u><u>2,918,624</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,293,618	2,918,624
	<u><u>2,293,618</u></u>	<u><u>2,918,624</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2018**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Zadig Asset Management LLP is a limited liability partnership incorporated in the UK and registered in England and Wales.

The partnership's registered address is 38 Jermyn Street, London, SW1Y 6DN.

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" published in July 2014 and company law as applied to LLP's.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management do not consider there are any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgment in applying the entity's accounting policies. Due to the straight forward nature of the business management consider that no critical judgments have been made in applying the entity's accounting policies.

The following principal accounting policies have been applied:

1.2 Going concern

The LLP has a satisfactory capital position and as a consequence the members believe that the LLP is well placed to manage its business risks successfully despite the current uncertain economic outlook. The members have prepared a forecast for the year ahead and based on this have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the LLP in respect of investment advisory fees receivable, exclusive of value added tax.

1.4 Financial instruments

Basic financial assets including trade and other receivables and cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest rate method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2018

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payment discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

1.5 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is the pound sterling.

Transactions and balances

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

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

1.6 Tax provisions

The taxation payable on profits is the personal liability of the members during the year.

1.7 Members' remuneration and profit allocation

A member's discretionary share in the profit or the loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within "other reserves".

2. TURNOVER

The whole of the turnover is attributable to the LLP's continuing principal activity.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Auditors remuneration	14,000	13,000
Exchange differences	(49,439)	(218,290)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2018

4. EMPLOYEES

The entity has no employees other than the members, who did not receive any remuneration (2016: £NIL).

5. INFORMATION IN RELATION TO MEMBERS

	2018 Number	<i>2017</i> <i>Number</i>
The average number of members during the year was	4	<i>4</i>
	2018 £	<i>2017</i> <i>£</i>
The amount of profit attributable to the member with the largest entitlement was	968,210	<i>1,092,270</i>

6. DEBTORS

	2018 £	<i>2017</i> <i>£</i>
Other debtors	380,805	<i>260,533</i>
Prepayments and accrued income	413,560	<i>209,101</i>
	794,365	<i>469,634</i>

Included within other debtors is an amount of £88,420 (2016: £88,420) due after more than one year.

7. CREDITORS: Amounts falling due within one year

	2018 £	<i>2017</i> <i>£</i>
Trade creditors	999,038	<i>318,951</i>
Accruals and deferred income	14,500	<i>13,500</i>
	1,013,538	<i>332,451</i>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2018

8. RELATED PARTY TRANSACTIONS

During the year the LLP was charged £2,143,045 (2017: £1,450,515) in respect of expenses incurred on its behalf by Zadig Asset Management Limited, a company under common control. At the year end £999,037 (2017: £318,951) was due to Zadig Asset Management Limited.

During the year the LLP recognised income of £4,386,519 (2017: £3,252,587) in respect of fund advisory services provided to Zadig Gestion (Luxembourg) S.A., a company under common control. At the year end £413,560 (2017: £209,101) was due from Zadig Gestion (Luxembourg) S.A.

9. CONTROLLING PARTY

The ultimate controlling party is L M G Saglio