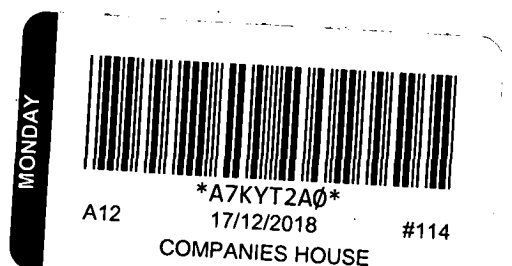


Brompton Asset Management Group LLP

Members' Report and Financial Statements

Registered Number OC 349298

31 March 2018



Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

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Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

The following are members:

John Duffield (Senior Partner)
Michael Astor
Arabella Duffield
George Duffield
John Jay
Rupert Ruvigny
Brompton Partners Limited
Brompton Investments Limited
Batson and Webster Limited
BAMGPU Limited

Registered office

1 Knightsbridge Green,
London SW1X 7QA

LLP number

OC 349298

Auditor

KPMG LLP, 15 Canada Square, London E14 5GL

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Brompton Asset Management Group LLP strategic report for the year ended 31 March 2018

Overview

The year to 31 March 2018 was a period of continuing growth for Brompton Asset Management Group's core multi-asset investment business, offset by the reduced scale, as foreshadowed, of the Group's direct property investment arm.

Net revenue for the group fell 19% to £6.95 million excluding discontinued rental activities, with revenue from the multi-asset investment business advancing 7% while revenue from direct property investing declined 45%.

After a 4% fall in administrative costs resulting from discontinued activities, operating earnings fell from £4.27 million to £2.62 million. Amortisation of intangible assets was 28% lower, leaving profit before tax at £2.02 million against £3.43 million the previous year, when the group benefited from higher levels of recurring and one-off fees within the property investment business.

Asset under management within our multi-asset business rose 7% from £792 million to £847 million while assets under management in the direct property investment arm declined 37% from £390 million to £248 million, leaving the year-end assets for the group 7% lower at £1.10 billion. At the year end, 77% of Brompton's assets under management were in multi-asset portfolios while 23% were in direct property.

Multi-asset management

The year under review was a period of continuing progress for the multi-asset investment business. Relative performance was strong, with all six funds within the EF Brompton Multi-Manager OEIC achieving above-median returns within their respective Investment Association (IA) sectors, of which one was in the first quartile. This meant all six funds were also above the median from their respective launch dates, with three funds, Global Income, Global Balanced and Global Conservative, in the top quartile.

At 31 March, all six funds had track records of three or more years, an important milestone in marketing the multi-asset business to a broader audience of financial intermediaries and investors, and two of the six, Global Income and Global Opportunities, had track records of more than five years.

The strength of this performance was given industry recognition in March 2018, when it was announced that Brompton had won the 2018 Thomson Reuters UK small group award in the mixed assets class. This award recognises the success of the investment team in delivering strong risk-adjusted returns over multiple years.

Alongside the EF Brompton fund range, Brompton also manages funds in the WAY Global and MA mutual funds ranges. Brompton has managed the WAY Global funds, Cautious, Blue Managed and Red Active, since December 2013 and has managed the WAY MA funds, Cautious and Growth, since May 2017. Of the five funds, two were above the medians in their respective IA sectors while three were in the third quarter.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Brompton Asset Management Group LLP strategic report for the year ended 31 March 2018 *(continued)*

Strong inflows combined with modest absolute returns led to a 19% increase in the size of the EF Brompton Multi-Manager OEIC to £89.23 million. In addition, as a result of taking over the management of the two MA funds, the WAY assets managed by Brompton totalled £187.01 million at the year end, a 23% increase on the previous year. The combined year-end total for our mutual funds, therefore, totalled £276 million, a 22% increase overall. Since the year end, we have continued to improve our earnings quality through agreeing to be sponsor of the two WAY MA funds, which will make full-year contributions to revenue in the current year.

The continuing growth for our mutual funds business was achieved during a difficult period for investors, whose risk appetites weakened in response to global economic and financial developments. Global equities made only modest gains over the year, with the MSCI AC World Total Return Index rising 2.90% in sterling terms, and UK equities underperformed, with the MSCI United Kingdom Total Return Index slipping 0.18%. In the fixed income markets, emerging market government bonds and developed world bonds fell 7.88% and 4.64% respectively in sterling. UK government bonds and sterling corporate bonds also declined in capital terms, leaving total returns at 0.49% and 1.56% respectively. Falls in overseas currencies contributed to weak returns for sterling-based investors, with the dollar and the yen falling 10.86% and 6.60% respectively against the pound.

UK equities weakened in response to uncertainties about the progress of Brexit talks and signs that trade negotiations would prove particularly fractious. By contrast, emerging market equities benefited from rising commodity prices and the dollar's weakness. Bonds, meanwhile, suffered from fears that interest rates would rise faster than expected. Investor optimism declined markedly in the first quarter of 2018 in the face of strong US wage growth, putting further pressure on the Federal Reserve to tighten monetary policy further, and signs that President Trump's trade tariffs might prove the opening salvo in a trade war.

The above-median returns from our EF Brompton range of mutual funds was matched by healthy relative performance within the risk-graded multi-asset strategies we manage on behalf of clients of our financial intermediary business partners. Within our broadest financial intermediary range, which we have managed for more than four years, all seven strategies achieved above-median performance and three delivered top-quartile returns. As a result, all these strategies had above-median performance since inception in August 2013, with five showing top quartile returns.

Our offering extends from traditional onshore strategies to offshore strategies that can be included in offshore investment bonds. We are also building track records for lower-cost "active-passive" strategies, which comprise passive investments such as exchange-traded funds (ETFs) while embodying our investment team's active asset allocation decisions.

Brompton manages one closed-end fund, the New Star Investment Trust, which principally invests in mutual funds, employing both single- and multi-asset strategies, and also has a small number of select private equity holdings. During the year, New Star Investment Trust delivered above-average performance when measured against funds with similar levels of equity exposure. Over three years, New Star Investment Trust has outperformed its benchmark by 14.66 percentage points.

Brompton's original multi-asset business, the provision of investment services for private clients, showed healthy growth as a result of investment returns, client gains and increased inflows from

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Brompton Asset Management Group LLP strategic report for the year ended 31 March 2018 *(continued)*

existing clients. Funds under management excluding money invested on behalf of in-house accounts increased 19.1% to £131 million and fund inflows have continued since the year end.

During the year, Brompton's senior management focussed on initiatives to expand our provision of discretionary fund management services to high-quality financial intermediaries. This focus on marketing and client service and support will, we believe, lead to benefits for our business in the future. We increased the size of our asset management team and appointed an experienced mutual funds salesman as head of sales for our multi-asset investment business.

Property

The reduction in scale of Brompton's property investment business continued during the year, with one fund being successfully wound down. Assets managed by Brompton Real Estate Investors reduced from £390 million to £248 million and fee income declined from £4.22 million to £2.33 million.

The wind-down process has been managed in a timely, efficient manner by the Brompton Real Estate Investors team. Two remaining properties were successfully sold, with the net proceeds greater than their carrying values at the times of sale and at the point when the decision was taken to sell them. This demonstrates the investment and management skills of the property team.

With the fund wind-down process close to completion, the team are focused on the active asset management of our specialist Australian property fund, maximising rental income and creating long-term value.

During the year under review, investment performance was strong, with income and capital growth delivered at greater rates than originally projected. At 31 March 2018, the properties, let on long leases to high-quality tenants, were valued at A\$372 million, A\$54.45 million higher than their combined A\$317.6 million cost less than five years ago. Since purchase, A\$42 million of income has been distributed, taking total returns to 35.5% over this short period.

Looking ahead, although the initial yield target set by the investor was 5%, it is now likely the income yield over the life of the fund will be more than 6%, assuming the loans maturing in late 2018 are extended to the end of the fund's life. Most recently, heads of terms have been signed for a 10-year extension to the lease on a Canberra property, a transaction expected to add significantly to the building's capital value.

Risks and uncertainties

Brompton Asset Management has risks in common with most other young fund management businesses. Poor investment returns, market falls, significant client losses and operational or regulatory issues could lead to falls in revenue or profits or reduce Brompton's ability to grow its business over the short term.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Brompton Asset Management Group LLP strategic report for the year ended 31 March 2018 *(continued)*

Brompton has addressed such risks by strengthening its asset management and client support teams, diversifying its client base and the assets it manages and developing new strategic relationships while continuing to service existing clients and grow the assets managed on their behalf. During the year, Brompton pursued initiatives aimed at developing its business through growing and diversifying its revenue base while continuing to operate a low-risk business model.

Outlook

By the end of the current financial year, five of the six EF Brompton mutual funds will have five-year records, providing further support for our marketing efforts as we seek to attract a wider body of investors. The maturity of the funds should also benefit us as we advance plans to forge new discretionary fund management relationships with high-quality financial intermediaries.

In our property business, lower recurring fees and an absence of one-off fees are likely to lead to a further reduction in profitability in this part of our group.

Amid heightened financial uncertainty and increased volatility as a result of the UK's Brexit negotiations, monetary tightening and the US's increasingly strident approach to trade disputes, our multi-asset portfolios should be well suited to prevailing market conditions. As always, our key objective will be to generate good risk-adjusted investment returns for our clients.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Members' report

The members present their report and the audited consolidated financial statements of Brompton Asset Management Group LLP ('BAMG LLP') for the year ended 31 March 2018. BAMG LLP forms part of the Brompton Asset Management Group ('Group').

Principal activities and business review

BAMG LLP was registered at Companies House on 14 October 2009. The Group carries on the business of managing and advising on investments.

BAMG LLP's subsidiary Brompton Asset Management LLP ('BAM LLP') is authorised and regulated by the Financial Conduct Authority. At 31 March 2018 the Group managed or advised on assets of £1.1 billion (2017: £1.2 billion).

Results

The Group profit and loss account is set out on page 14.

The Group's operating earnings were £2,617,000 (2017: £4,270,000). After amortisation of intangibles, interest and taxation, the profit for the financial year available for discretionary division among members was £1,948,000 (2017: £3,392,000).

Members

The members, during the year ended 31 March 2018, were as follows:

John Duffield*
Michael Astor*
Arabella Duffield
George Duffield
John Jay*
Rupert Ruvigny*
Brompton Partners Limited
Brompton Investments Limited
Batson & Webster Limited
BAMGPU Limited

* Designated members

Allocation of profits and drawings

Any profits are shared among the members as governed by the Limited Liability Partnership agreement dated 26 March 2015.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Members' report *(continued)*

Capital

The members may only contribute to BAMG LLP's capital in accordance with the terms of the partnership agreement. At 31 March 2018, the partnership capital was £1,704,553 (2017: £1,704,553).

No member is entitled to interest on their capital.

Policy for drawings, subscriptions and repayment of members' capital

The partnership agreement governs members' drawings, subscriptions and repayment of members' capital. The amount contributed to the capital of the LLP by each member is determined by the Management Board of BAMG LLP (the 'Management Board'). The Management Board has the discretion to allow members to receive payments in advance of the end of a financial year in anticipation of their profit entitlements for such financial year. Such advances are repayable at the discretion of the Management Board. A member does not have the right directly or indirectly to receive back any part of the amount standing to the credit of their capital contribution account except as specifically allowed in the partnership agreement or at the discretion of the Management Board.

Future developments and risks

The Partnership continues to grow its asset management business by organic growth through positive investment performance of clients' assets and through the acquisition and management of new assets. The strategic report on pages 3 to 6 provides details of future developments and risks.

Pillar 3 disclosures

BAMG LLP is required to make various disclosures regarding the Group's 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.

Auditor

Pursuant to section 487 of the Companies Act 2006 (as applied to Limited Liability Partnerships by regulation 36 of the Limited Liability Partnerships Regulations 2008), KPMG LLP will be deemed to be reappointed and will therefore continue in office.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Members' report *(continued)*

Approval

These financial statements have been approved by the Management Board of Brompton Asset Management Group LLP, who holds a majority of the partnership shares, on 29 November 2018.

Brompton Asset Management Group LLP

A handwritten signature in black ink, appearing to read 'R. Ruvigny', with a stylized flourish at the end.

Rupert Ruvigny
Designated Member

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Statement of members' responsibilities in respect of the members' report and the financial statements

The designated members are responsible for preparing the Members' report and the Group and LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the designated members to prepare Group and LLP financial statements for each financial year. Under that law the designated members have elected to prepare both the Group and LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the designated 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 Group and the LLP and of the profit or loss of the Group for that period. In preparing each of the Group and LLP financial statements, the designated members 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 Group and the LLP'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 Group or the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the designated 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 enable them to ensure that its financial statements comply with those regulations. 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 group and to prevent and detect fraud and other irregularities.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

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

Opinion

We have audited the Group and LLP financial statements of Brompton Asset Management Group LLP ("the LLP") for the year ended 31 March 2018 which comprise the consolidated profit and loss account, consolidated group balance sheet, BAMG LLP balance sheet, group and BAMG LLP reconciliation of members' interests, consolidated group cash flow statement 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 affairs of the Group and of the LLP as at 31 March 2018 and of the profit of the Group for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including 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 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The members are responsible for the other information, which comprises the strategic report and members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Independent auditor's report to the members of Brompton Asset Management Group LLP (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

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

Members' responsibilities

As explained more fully in their statement set out on page 10, the members 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 group and 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 they either intend to liquidate the group or the LLP or to cease operations, or have no realistic alternative but to do so.

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.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Independent auditor's report to the members of Brompton Asset Management Group LLP
(continued)

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

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application 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 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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to be 'R Long', with a stylized horizontal line extending to the right.

Richard Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

29 November 2018

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Consolidated profit and loss account

	<i>Note</i>	Year ended 31 March 2018	Year ended 31 March 2017
		£ '000	£ '000
Net revenue	2	6,946	8,762
Administrative expenses	3	(4,329)	(4,492)
Operating earnings		<u>2,617</u>	<u>4,270</u>
Amortisation of intangible assets	8	(616)	(853)
Operating profit	3	<u>2,001</u>	<u>3,417</u>
Other interest receivable and similar income		17	10
Profit for the financial year before taxation		<u>2,018</u>	<u>3,427</u>
Taxation	6	(70)	(35)
Profit for the financial year available for discretionary division among members		<u><u>1,948</u></u>	<u><u>3,392</u></u>

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

The notes on pages 20 to 30 form part of these financial statements.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

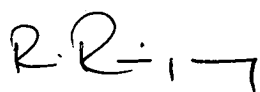
31 March 2018

Consolidated balance sheet

	<i>Note</i>	31 March 2018 £'000	31 March 2017 £'000
Fixed assets			
Intangible fixed assets	8	15	615
Tangible fixed assets	9	<u>23</u>	<u>46</u>
		38	661
Current assets			
Debtors	11	2,365	3,155
Cash at bank and in hand		<u>2,932</u>	<u>3,598</u>
		5,297	6,753
Creditors: amounts falling due within one year	12	<u>(1,476)</u>	<u>(2,101)</u>
Total assets less current liabilities		3,859	5,313
Provision for liabilities and charges	13	<u>(201)</u>	<u>(211)</u>
Net assets attributable to members		<u><u>3,658</u></u>	<u><u>5,102</u></u>
Represented by:			
Capital and reserves			
Members' capital classified as equity under section 22 of FRS 102	14	1,704	1,704
Members' other interests – other reserves classified as equity under section 22 of FRS 102	14	<u>1,954</u>	<u>3,398</u>
		<u><u>3,658</u></u>	<u><u>5,102</u></u>
Total members' interests			
Amounts due to/(from) members		(1,120)	(919)
Members' interests		<u>3,658</u>	<u>5,102</u>
		<u><u>2,538</u></u>	<u><u>4,183</u></u>

The notes on pages 20 to 30 form part of these financial statements.

These financial statements have been approved by the Management Committee of Brompton Asset Management Group LLP on 29 November 2018.



Rupert Ruvigny
Designated Member
Brompton Asset Management Group LLP

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

BAMG LLP balance sheet

	<i>Note</i>	31 March 2018 £'000	31 March 2017 £'000
Fixed assets			
Investment in subsidiaries	10	<u>675</u>	<u>675</u>
		675	675
Current assets			
Debtors	11	2,861	3,286
Cash at bank and in hand		<u>-</u>	<u>1</u>
		2,861	3,287
Creditors: amounts falling due within one year	12	<u>(1,265)</u>	<u>(224)</u>
Total assets less current liabilities		2,271	3,738
Net assets attributable to members		<u>2,271</u>	<u>3,738</u>
Represented by:			
Capital and reserves			
Members' capital classified as equity under section 22 of FRS 102	14	1,704	1,704
Members' other interests – other reserves classified as equity under section 22 of FRS 102	14	<u>567</u>	<u>2,034</u>
		<u>2,271</u>	<u>3,738</u>
Total members' interests			
Amounts due to/(from) members		(1,120)	(919)
Members' interests		<u>2,271</u>	<u>3,738</u>
		<u>1,151</u>	<u>2,819</u>

The notes on pages 20 to 30 form part of these financial statements.

These financial statements have been approved by the Management Committee of Brompton Asset Management Group LLP on 29 November 2018.



Rupert Ruvigny
Designated Member
Brompton Asset Management Group LLP

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Reconciliation of members' interests

31 March 2018

Group

	Members' other interests				
	Members' capital (classified as equity)	Other Reserves	Total	Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	£ '000	£ '000	£ '000	£ '000	£ '000
Balance at 1 April 2017	1,704	3,398	5,102	(919)	4,183
Profit for the financial year available for discretionary division among members	-	1,948	1,948	-	1,948
Profit distributed to members during the year	-	(3,392)	(3,392)	919	(2,473)
Amounts due from members	-	-	-	(1,120)	(1,120)
At 31 March 2018	<u>1,704</u>	<u>1,954</u>	<u>3,658</u>	<u>(1,120)</u>	<u>2,538</u>

31 March 2017

Group

	Members' other interests				
	Members' capital (classified as equity)	Other Reserves	Total	Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	£ '000	£ '000	£ '000	£ '000	£ '000
Balance at 1 April 2016	1,704	1,924	3,628	(851)	2,777
Profit for the financial year available for discretionary division among members	-	3,392	3,392	-	3,392
Profit distributed to members during the year	-	(1,918)	(1,918)	851	(1,067)
Amounts due from members	-	-	-	(919)	(919)
At 31 March 2017	<u>1,704</u>	<u>3,398</u>	<u>5,102</u>	<u>(919)</u>	<u>4,183</u>

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Reconciliation of members' interests (continued)

31 March 2018

BAMG LLP

	Members' other interests				
	Members' capital (classified as equity)	Other Reserves	Total	Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	£ '000	£ '000	£ '000	£ '000	£ '000
Balance at 1 April 2017	1,704	2,034	3,738	(919)	2,819
Profit received from subsidiaries	-	1,858	1,858	-	1,858
BAMG LLP profit before subsidiary distributions	-	67	67	-	67
Profit distributed to members during the year	-	(3,392)	(3,392)	919	(2,473)
Amounts due from members	-	-	-	(1,120)	(1,120)
At 31 March 2018	<u>1,704</u>	<u>567</u>	<u>2,271</u>	<u>(1,120)</u>	<u>1,151</u>

BAMG LLP

31 March 2017

	Members' other interests				
	Members' capital (classified as equity)	Other Reserves	Total	Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	£ '000	£ '000	£ '000	£ '000	£ '000
Balance at 1 April 2016	1,704	1,536	3,240	(851)	2,389
Profit received from subsidiaries	-	2,382	2,382	-	2,382
BAMG LLP profit before subsidiary distributions	-	34	34	-	34
Profit distributed to members during the year	-	(1,918)	(1,918)	851	(1,067)
Amounts due from members	-	-	-	(919)	(919)
At 31 March 2017	<u>1,704</u>	<u>2,034</u>	<u>3,738</u>	<u>(919)</u>	<u>2,819</u>

The notes on pages 20 to 30 form part of these financial statements.

Brompton Asset Management Group LLP**Members' Report and Financial Statements****31 March 2018****Consolidated cash flow statement for the year ended 31 March 2018**

	Year ended 31 March 2018 £ '000	Year ended 31 March 2017 £ '000
Cash flows from operating activities		
Profit before tax	2,018	3,427
Add back: depreciation charges	31	60
Add back: amortisation	616	853
Less: interest income	(17)	(10)
Less: (profit)/loss on disposal	-	1
Decrease /(increase) in debtors	790	(900)
(Decrease)/ increase in creditors	(674)	1,133
Less: taxation paid	(31)	(31)
Net cash flow from operating activities	2,733	4,533
Cash outflow from investing activities		
Acquisition of intangible fixed assets	(16)	-
Purchase of tangible fixed assets	(8)	(7)
Proceeds on disposal of fixed assets	-	1
Net cash inflow/(outflow) from investing activities	(24)	(6)
Cash flow from financing activities		
Interest received	17	11
Net cash inflow/(outflow) from financing activities	17	11
Transactions with members		
Distributions to members	(3,392)	(2,918)
Net change in cash and cash equivalents	(666)	2,620
Net funds at the start of the year	3,598	978
Net funds at the end of the year	<u>2,932</u>	<u>3,598</u>

The notes on pages 20 to 30 form part of these financial statements.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

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Notes to the financial statements

1 Accounting policies

BAMG LLP is a Limited Liability Partnership established in the United Kingdom under the Limited Liability Partnership Regulations 2008.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to BAMG LLP's financial statements.

(a) Basis of preparation

The financial statements have been prepared in accordance with law (including the Limited Liability Partnership Regulations 2008) 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 and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in January 2017.

The parent partnership is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent partnership financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

(b) Net revenue

Net Revenue represents net income from investment management, advisory services, property transaction fees and rental income. Investment management, advisory fees and rental income are recognised on an accruals basis. Transaction fees are recognised when it is probable that economic benefit will flow to the Group and it can be measured reliably.

(c) 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.

(d) Taxation

There is no taxation payable on BAMG LLP's profits as any taxation will be a liability of the members. Taxation may be payable on the profits of the corporate subsidiaries.

Current tax is provided on the corporate subsidiaries' taxable profits at amounts expected to be paid using the taxation rates and laws that have been enacted or substantially enacted by the balance sheet

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Notes to the financial statements *(continued)*

Accounting policies *(continued)*

date. Deferred taxation 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 the asset will be recoverable against suitable taxable profits from which the underlying timing differences can be deducted.

(e) Pension scheme arrangements

The Group has a defined contribution pension scheme which meets the workplace pension requirements. Contributions are charged to the profit and loss account as they become payable in accordance with contractual terms.

(f) Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal annual instalments over the period of the leases.

(g) Intangible fixed assets

Management contracts

The costs of acquiring the sponsorship rights in respect of funds and the right to appoint the investment manager are capitalised as an intangible asset. Where the sponsorship rights and management contracts do not have a defined useful life, an estimate of the useful life is made and the costs are amortised on a straight line basis over their useful lives. Where the sponsorship rights and management contracts have a defined useful life, the cost is amortised over the period of the contract. The amortised cost of these contracts is reviewed annually to ensure no impairment has occurred. Any amortisation or impairment is charged in the profit and loss as an expense.

Where the total acquisition cost is uncertain and there is insufficient evidence to estimate reliably the total cost, the future costs are not recognised.

The useful lives of the retail contracts acquired is estimated to be 4 years.

Website

The cost of the website has been capitalised and is being amortised over 3 years.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Notes to the financial statements *(continued)*

Accounting policies *(continued)*

(h) Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental cost of acquisition. Depreciation is calculated so as to write off the cost of fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The periods used for this purpose are shown below:

Leasehold improvements	Period of the lease
Computer equipment	3 years
Furniture and equipment	3 years
Motor vehicles and bicycles	3 years

(i) Cash and short term deposits

Cash comprises cash in hand and deposits with a maturity of less than 3 months.

(j) Going concern

The financial statements are prepared on the going concern basis. After making enquiries, the designated members have a reasonable expectation that BAMG LLP has adequate capital and liquidity to meet its obligations and to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing these financial statements.

2 Net revenue

Net revenue comprises management fees earned in respect of investment management and advisory fees together with property transaction fees exclusive of VAT, less commission paid, plus rental income as follows:

	Year ended 31 March 2018 £ '000	Year ended 31 March 2017 £ '000
Gross fees	8,196	11,090
Commissions payable	(1,250)	(2,556)
Rental income	-	229
Profit/(loss) on disposal of fixed asset	-	(1)
	<u>6,946</u>	<u>8,762</u>

Brompton Asset Management Group LLP**Members' Report and Financial Statements****31 March 2018****Notes to the financial statements (continued)****3 Operating profit**

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

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £ '000
Depreciation	31	60
Audit of:		
Group LLP financial statements	4	4
Subsidiaries pursuant to statutory legislation	31	30
Payment to auditor for other services	16	16
Operating leases	530	432
Foreign exchange loss/(gain)	18	(19)
Amortisation of intangibles	616	853

4 Other interest receivable and similar income

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £ '000
Interest receivable	17	10
	<u>17</u>	<u>10</u>

5 Employees

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £ '000
Personnel costs:		
Wages and salaries	1,931	1,969
Social security	210	187
Pension costs	186	199
	<u>2,327</u>	<u>2,355</u>

The average number of persons employed by the Group during the year was 22 (2017: 20). BAMG LLP has no employees (2017: Nil).

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Notes to the Financial Statements *(continued)*

6 Taxation

There is no taxation payable on BAMG LLP's profits as any taxation will be a liability of the members. The reconciliation below relates to the corporate entities within the Group.

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £ '000
Current tax reconciliation		
(a) Analysis of charge in the year		
Tax charge for the year	76	36
Adjustment for under/(over) accrual for prior year	(6)	(1)
United Kingdom Corporation Tax	<u>70</u>	<u>35</u>
Tax charge for the year:		
(b) Factors affecting the tax charge for the year		
Profit before tax	<u>304</u>	<u>114</u>
United Kingdom corporation tax at 19% (2017: 20%) based on profit for the year	58	23
Effects of:		
Dividends received from subsidiaries not taxable	-	(16)
Expenses not deductible for tax purposes	15	19
Capital allowances in excess of depreciation	4	1
Short term timing differences	(1)	9
Adjustment for under/(over) accrual for prior year	(6)	(1)
Tax charge for the year	<u>70</u>	<u>35</u>

At 31 March 2018 the Group had no unutilised tax losses (2017: Nil).

7 Profit for the year before members' profit shares

Profits are shared among the members each year in accordance with agreed profit sharing arrangements as governed by the Limited Liability Partnership Agreement.

	Year ended 31 March 2018	Year ended 31 March 2017
Average number of members	<u>10</u>	<u>10</u>
Number of members at 31 March 2018, including the corporate member	<u>10</u>	<u>10</u>

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Notes to the financial statements (*continued*)

8 Intangible fixed assets

Cost	Management contracts £'000	Website £'000	Total £'000
At 1 April 2017	2,898	34	2,932
Additions	-	16	16
At 31 March 2018	<u>2,898</u>	<u>50</u>	<u>2,948</u>
Amortisation			
At 1 April 2017	2,293	24	2,317
Charge	605	11	616
At 31 March 2018	<u>2,898</u>	<u>35</u>	<u>2,933</u>
Net book value at 31 March 2018	<u>-</u>	<u>15</u>	<u>15</u>
Net book value at 31 March 2017	<u>605</u>	<u>10</u>	<u>615</u>

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Notes to the financial statements (continued)

9 Tangible fixed assets

	Leasehold improvements	Computer equipment	Motor vehicles & bicycles	Fixtures & fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2017	125	93	58	4	280
Additions	-	7	1	-	8
At 31 March 2018	<u>125</u>	<u>100</u>	<u>59</u>	<u>4</u>	<u>288</u>
Depreciation					
At 1 April 2017	125	74	33	2	234
Charge for the year	-	12	17	2	31
At 31 March 2018	<u>125</u>	<u>86</u>	<u>50</u>	<u>4</u>	<u>265</u>
Net book values as at 31 March 2018	<u>-</u>	<u>14</u>	<u>9</u>	<u>-</u>	<u>23</u>
Net Book Values at 31 March 2017	<u>-</u>	<u>19</u>	<u>25</u>	<u>2</u>	<u>46</u>

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Notes to the financial statements (*continued*)

10 Investment in subsidiary undertakings

	Year ended 31 March 2018 £ '000	Year ended 31 March 2017 £ '000
At 1 April	675	675
At 31 March	<u>675</u>	<u>675</u>

BAMG LLP's principal direct and indirectly held subsidiary undertakings are as follows:

	Country of incorporation and operation	% Holding	Principal activity
Brompton Asset Management LLP	England and Wales	100%	Fund management
Brompton Real Estate Investors LLP	England and Wales	100%	Property fund management
Brompton Asset Management Holdings Limited	England and Wales	100%	Service company and sub holding company
Brompton Asset Management (Bermuda) Limited	Bermuda	100%	Fund management and distribution

BAMG LLP has one subsidiary, Brompton Partners Limited, which is dormant.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Notes to the financial statements (continued)

10 Investment in subsidiary undertakings (continued)

Brompton Asset Management Holdings Limited has the following subsidiaries that are dormant:

	Country of incorporation and operation	% Holding	Principal Activity
Brompton Investment Limited	England	100%	Corporate partner
Brompton Investment Funds Limited	England and Wales	100%	Fund management
Brompton Assets Limited	England and Wales	100%	Fund management
Brompton Real Estate Investment Management Limited	England and Wales	100%	Fund management
Brompton Property Investment Management Limited	England and Wales	100%	Fund management
Brompton Investment Management Limited	England and Wales	100%	Fund management

The registered office of all subsidiaries incorporated in England and Wales, is 1 Knightsbridge Green, London, SW1X 7QA.

The registered office of the subsidiary incorporated in Bermuda is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

11 Debtors

	Group 31 March 2018 £ '000	Group 31 March 2017 £ '000	BAMG LLP 31 March 2018 £ '000	BAMG LLP 31 March 2017 £ '000
Due within one year:				
Trade debtors	194	1,071	-	-
Accrued Income	702	731	-	-
Intergroup	-	-	1,723	2,351
Prepayments	295	176	-	-
Other	54	258	18	17
Amounts due from members	1,120	919	1,120	919
	<u>2,365</u>	<u>3,155</u>	<u>2,861</u>	<u>3,287</u>

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Notes to the financial statements (continued)

12 Creditors: amounts falling due within one year

	Group	Group	BAMG LLP	BAMG LLP
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£ '000	£ '000	£ '000	£ '000
Trade creditors	85	164	-	-
Accruals	1,002	1,607	142	178
Other creditors	389	330	-	-
Provisions for liabilities and charges (see note 13)	80	50	-	-
Intergroup	-	-	1,123	46
	<u>1,476</u>	<u>2,101</u>	<u>1,265</u>	<u>224</u>

13 Provisions for liabilities and charges

	Group	Group
	31 March 2018	31 March 2017
	£ '000	£ '000
At 1 April	261	-
Additions	87	261
Released to the profit and loss	(67)	-
At 31 March	<u>281</u>	<u>261</u>
Less than 1 year (see note 12)	80	50
Greater than 1 year	201	211

The provision for liabilities and charges represents the difference between the rent charged to the profit and loss account and the amount of rent paid.

14 Members' capital contributions

The Members' Capital provides the Partnership with sufficient capital for one of its subsidiaries to be authorised under the FCA to carry on its activities and to ensure the Limited Liability Partnership is funded to be able to meet its obligations.

In the event of a winding up, any surplus assets of BAMG LLP over its liabilities shall be payable by the liquidator first to the members to the extent of their total capital contribution to the LLP, and then to the members in proportion to their respective capital points. No member can be asked to contribute more capital in the event of the LLP becoming insolvent.

Brompton Asset Management Group LLP

Members' Report and Financial Statements

31 March 2018

Notes to the financial statements *(continued)*

15 Operating lease commitments

The Group has an annual property lease commitment under a non-cancellable operating lease which expires in 2022 with payments as follows:

	Group 31 March 2018 £'000	Group 31 March 2017 £'000
Within one year	603	502
Within one to five years	<u>1,507</u>	<u>2,110</u>

16 Pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £175,000 (2017: £190,000).

The Group also makes contributions to personal pension scheme arrangements for a number of employees. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £11,000 (2017: £9,000).

17 Post balance sheet events

Since the end of the financial year, the partners 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.

18 Related party transactions

The Group manages investments owned or associated with a number of members of BAMG LLP. All related parties are charged market rates.

19 Ultimate parent undertaking

Brompton Asset Management Group LLP is the ultimate parent undertaking of this Group.