

# 2019 AUDITED ACCOUNTS

## Resolute Asset Management LLP

OC351277



**Limited Liability Partnership Registration No. OC351277 (England and Wales)**

**RESOLUTE ASSET MANAGEMENT LLP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

# **RESOLUTE ASSET MANAGEMENT LLP**

## **LIMITED LIABILITY PARTNERSHIP INFORMATION**

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**Designated members**

W. Hancock  
R.M. Kingsmill  
Resolute Asset Management UK Limited

**Limited liability partnership number**    OC351277

**Registered office**

Alpha House  
24a Lime Street  
London  
EC3M 7HS

**Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

# **RESOLUTE ASSET MANAGEMENT LLP**

## **CONTENTS**

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	<b>Page</b>
Members' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Statement of comprehensive income	6
Balance sheet	7
Reconciliation of members' interests	8 - 9
Statement of cash flows	10
Notes to the financial statements	11 - 21

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# **RESOLUTE ASSET MANAGEMENT LLP**

## **MEMBERS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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The members present their annual report and financial statements for the year ended 31 December 2019.

#### **Principal activities**

The principal activity of the limited liability partnership continued to be that of the provision of asset and investment management services related to direct and indirect real estate related debt and equity investments and non-performing loans.

#### **Fair review of the business**

The results for the year and the financial position at the year-end were considered satisfactory by the members who expect continued growth in the foreseeable future. The business continues to expand strongly and continues to build relationships with existing and new clients.

#### **Principal risks and uncertainties**

The current worldwide Coronavirus ("COVID-19") outbreak continues to evolve, being declared by the World Health Organisation ("WHO") as a Public Health Emergency of international concern on 30 January 2020, and as a worldwide pandemic on 11 March 2020. The Members have assessed the impact on the LLP and in particular the expected fee income and cash flows over the coming months.

Whilst a slowdown in new transactions and performance-based revenues is expected, the core contracted fee income is expected to continue to be received during these difficult times. The Members have prepared detailed budgets and cash forecasts covering a period of eighteen months and with careful management and reductions of non-essential expenditure, the Members are satisfied that the LLP has sufficient cash and resources to continue for at least twelve months from the date of signing of the accounts.

On this basis the Members believe that it is appropriate to continue to prepare these financial statements on a going concern basis.

#### **Development and performance**

The position of the LLP at the year-end has seen turnover increase by £610,562 with a pipeline of ongoing fee income at the increased level. The outlook is promising as it is able to manage cash reserves effectively whilst continuing to be able to attract and retain key staff to ensure the future of the business continues on an upward trend.

#### **Designated members**

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

W. Hancock  
R.M. Kingsmill  
Resolute Asset Management UK Limited

#### **Policy on members' drawings**

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

#### **Auditor**

The auditor, BDO LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **RESOLUTE ASSET MANAGEMENT LLP**

## **MEMBERS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **Statement of members' responsibilities**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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. 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 limited liability partnership and of the profit or loss of the limited liability partnership 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

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

### **Statement of disclosure to auditor**

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

On behalf of the members



.....  
**R.M. Kingsmill**  
**Designated Member**

# **RESOLUTE ASSET MANAGEMENT LLP**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF RESOLUTE ASSET MANAGEMENT LLP**

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#### **Opinion**

We have audited the financial statements of Resolute Asset Management LLP ("the Limited Liability Partnership") for the year ended 31 December 2019 which comprise the Profit and Loss Account, Statement of Comprehensive Income, the Statement of Financial Position, the Reconciliation of Member's Interest, the Statement of Cash Flows 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 Limited Liability Partnership's affairs as at 31 December 2019 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the 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 Limited Liability Partnership 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.

#### **Other information**

The Members are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

# RESOLUTE ASSET MANAGEMENT LLP

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF RESOLUTE ASSET MANAGEMENT LLP

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#### 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 Statement of Members' Responsibilities, 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 Limited Liability Partnership'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 Limited Liability Partnership 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our 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 by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. 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 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.

#### Alexander Tapp (Senior Statutory Auditor)

for and on behalf of BDO LLP, statutory auditor

55 Baker Street  
London  
W1U 7EU



3 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# RESOLUTE ASSET MANAGEMENT LLP

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Turnover	<b>3</b>	4,794,054	4,201,194
Administrative expenses		<u>(4,701,369)</u>	<u>(3,828,702)</u>
<b>Gross profit</b>		92,685	372,492
Investment income		<u>17,702</u>	<u>-</u>
<b>Profit for the financial year before members' remuneration and profit shares</b>		<u>110,387</u>	<u>372,492</u>
Profit for the financial year before members' remuneration and profit shares		<u>110,387</u>	<u>372,492</u>
<b>Profit for the financial year available for discretionary division among members</b>		<u>110,387</u>	<u>372,492</u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

# **RESOLUTE ASSET MANAGEMENT LLP**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial year available for discretionary division among members</b>	<b>110,387</b>	<b>372,492</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b><u>110,387</u></b>	<b><u>372,492</u></b>

# RESOLUTE ASSET MANAGEMENT LLP

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	8	97,512	54,363
Tangible assets	9	147,909	233,934
Investments	10	137,171	83,556
		<u>382,592</u>	<u>371,853</u>
<b>Current assets</b>			
Debtors	13	5,587,571	3,811,383
Cash at bank and in hand		373,833	407,522
		<u>5,961,404</u>	<u>4,218,905</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,199,396)</u>	<u>(2,315,248)</u>
<b>Net current assets</b>		<u>2,762,008</u>	<u>1,903,657</u>
<b>Total assets less current liabilities</b>		<u>3,144,600</u>	<u>2,275,510</u>
<b>Represented by:</b>			
Members' capital classified as a		469,333	469,333
<b>Members' other interests</b>			
Members' capital classified as		3,076,176	2,207,086
Other reserves classified as		(400,909)	(400,909)
		<u>3,144,600</u>	<u>2,275,510</u>
<b>Total members' interests</b>			
Amounts due from members		(2,056,869)	(1,503,013)
Loans and other debts due to		469,333	469,333
Members' other interests		2,675,267	1,806,177
		<u>1,087,731</u>	<u>772,497</u>

The financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime. The financial statements were approved by the members and authorised for issue on 4 November 2020 and are signed on their behalf by:



W. Hancock  
Designated member



R.M. Kingsmill  
Designated Member

Limited Liability Partnership Registration No. OC351277

**RESOLUTE ASSET MANAGEMENT LLP**  
**RECONCILIATION OF MEMBERS' INTERESTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

<i>Current financial year</i>	EQUITY			DEBT		TOTAL
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total 2019
	£	£	£	£	£	£
Amounts due to members				469,333		
Amounts due from members				(1,503,013)		
Members' interests at 1 January 2019	2,207,086	(400,909)	1,806,177	(1,033,680)	(1,033,680)	772,497
Profit for the financial year available for discretionary division among members	-	110,387	110,387	-	-	110,387
Members' interests after profit for the year	2,207,086	(290,522)	1,916,564	(1,033,680)	(1,033,680)	882,884
Allocation of profit for the financial year	-	-	-	110,387	110,387	110,387
Other divisions of profits	-	(110,387)	(110,387)	-	-	(110,387)
Introduced by members	869,090	-	869,090	-	-	869,090
Other movements	-	-	-	(664,243)	(664,243)	(664,243)
Members' interests at 31 December 2019	3,076,176	(400,909)	2,675,267	(1,587,536)	(1,587,536)	1,087,731
Amounts due to members				469,333		
Amounts due from members, included in debtors				(2,056,869)		
				(1,587,536)		

# RESOLUTE ASSET MANAGEMENT LLP

## RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Prior financial year

	EQUITY			DEBT		TOTAL
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total 2018
	£	£	£	£	£	£
Amounts due to members				469,333		
Amounts due from members				(1,208,994)		
Members' interests at 1 January 2018	1,768,451	(400,909)	1,367,542	(739,661)	(739,661)	627,881
Profit for the financial year available for discretionary division among members	-	372,492	372,492	-	-	372,492
Members' interests after profit for the year	1,768,451	(28,417)	1,740,034	(739,661)	(739,661)	1,000,373
Allocation of profit for the financial year	-	-	-	372,492	372,492	372,492
Other divisions of profits	-	(372,492)	(372,492)	-	-	(372,492)
Introduced by members	438,635	-	438,635	-	-	438,635
Other movements	-	-	-	(666,511)	(666,511)	(666,511)
Members' interests at 31 December 2018	2,207,086	(400,909)	1,806,177	(1,033,680)	(1,033,680)	772,497
Amounts due to members				469,333		
Amounts due from members, included in debtors				(1,503,013)		
				(1,033,680)		

# RESOLUTE ASSET MANAGEMENT LLP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

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	Note	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	18		(81,242)		(100,416)
<b>Investing activities</b>					
Purchase of intangible assets		(71,097)		(38,200)	
Purchase of tangible fixed assets		(32,582)		(250,203)	
Investment in subsidiaries		(53,615)		-	
<b>Net cash used in investing activities</b>			(157,294)		(288,403)
<b>Financing activities</b>					
Capital introduced by members (classified as debt or equity)		869,090		438,634	
Payments to members that represent a return on amounts subscribed or otherwise contributed		(664,243)		(666,511)	
<b>Net cash generated from/(used in) financing activities</b>			204,847		(227,877)
<b>Net decrease in cash and cash equivalents</b>			(33,689)		(616,694)
Cash and cash equivalents at beginning of year			407,522		1,024,217
<b>Cash and cash equivalents at end of year</b>			373,833		407,523

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# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Limited liability partnership information

Resolute Asset Management LLP is a limited liability partnership incorporated in England and Wales. The registered office is Alpha House, 24a Lime Street, London, EC3M 7HS.

The limited liability partnership's principal activities are disclosed in the Members' Report.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2014, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the LLP will be able to continue in operation for the foreseeable future.

The Members have considered the potential impact to the business from the effects of the current pandemic (COVID-19) and have put in place plans to mitigate the potential risks to business continuity. The Members do not believe that there is a material risk to the expected fee income or cash flows. The Members have also assessed the effect of possible downside scenarios with reduced level of income and cash flows and are satisfied that the LLP will continue to be able to meet its business obligations as they fall due over the coming twelve months.

After considering these matters and in light of the current forecasts for the Partnership, the Members consider it appropriate to adopt the going concern basis in preparing the financial statements.

#### 1.3 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

Drawings represent payments on account of profits which may be allocated to members. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and may be reclaimed from members until profits have been allocated to them.

Unallocated profits are included within members' other interests, classified as equity, advanced drawings in excess of allocated profits are included within 'Amounts due from members' in debtors, and allocated profits in excess of drawings are included within 'Amounts due to members' as a liability.

**RESOLUTE ASSET MANAGEMENT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies (continued)**

**1.4 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value of the asset can be measured reliably. Intangible fixed assets are amortised on the following basis:

Computer software	25% straight line
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**1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the profit and loss account.

**1.6 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

**1.7 Impairment of fixed assets**

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies (continued)

##### 1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Other financial assets*

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, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies (continued)

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow limited liability partnership 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 receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

**RESOLUTE ASSET MANAGEMENT LLP**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies (continued)**

**1.13 Revenue recognition**

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

**2 Judgements and key sources of estimation uncertainty**

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Turnover**

An analysis of the limited liability partnership's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Professional services	4,794,054	4,201,194
	<hr/>	<hr/>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
Overseas	2,536,367	3,008,644
UK	2,257,687	1,192,550
	<hr/>	<hr/>
	4,794,054	4,201,194
	<hr/>	<hr/>

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Operating profit

	2019	2018
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange losses/(gains)	66,530	(54,896)
Depreciation of owned tangible fixed assets	118,607	93,677
Amortisation of intangible assets	27,948	11,637
Operating lease charges	337,907	268,801

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to gains losses of £66,530 (2018 - gains of £54,896)

### 5 Auditor's remuneration

	2019	2018
Fees payable to the LLP's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the LLP	22,500	20,000

### 6 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2019 Number	2018 Number
Office staff	35	26

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	2,310,625	1,982,111

### 7 Information in relation to members

	2019 Number	2018 Number
Average number of members during the year	3	3
	2019 £	2018 £
Profit attributable to the member with the highest entitlement	76,050	226,549

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 January 2019	66,000
Additions - internally developed	71,097
At 31 December 2019	137,097
<b>Amortisation and impairment</b>	
At 1 January 2019	11,637
Amortisation charged for the year	27,948
At 31 December 2019	39,585
<b>Carrying amount</b>	
At 31 December 2019	97,512
At 31 December 2018	54,363

### 9 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2019	191,414	200,562	391,976
Additions	8,241	24,341	32,582
At 31 December 2019	199,655	224,903	424,558
<b>Depreciation and impairment</b>			
At 1 January 2019	43,806	114,236	158,042
Depreciation charged in the year	47,127	71,480	118,607
At 31 December 2019	90,933	185,716	276,649
<b>Carrying amount</b>			
At 31 December 2019	108,722	39,187	147,909
At 31 December 2018	147,609	86,325	233,934

### 10 Fixed asset investments

	2019 £	2018 £
Unlisted investments	137,171	83,556

**RESOLUTE ASSET MANAGEMENT LLP**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**10 Fixed asset investments**

On 4 April 2017 the LLP acquired 99.9% of the share capital of Resolute Asset Management S.A. (Greece) for a total consideration of £83,556 (€99,900). On 10 September 2019 the LLP injected a further £53,615 (€59,940)

**Movements in fixed asset investments**

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 January 2019	83,556
Additions	53,615
	<hr/>
At 31 December 2019	137,171
	<hr/>
<b>Carrying amount</b>	
At 31 December 2019	137,171
	<hr/>
At 31 December 2018	83,556
	<hr/>

**11 Subsidiaries**

Details of the limited liability partnership's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Resolute Asset Management S.A. (Greece)	14 Voulis Street, 10563 Athens, Greece	Financial and Asset Management	Ordinary shares	99.90	

Investments in subsidiaries are measured at cost less accumulated impairment.

**12 Financial instruments**

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	5,476,242	4,088,507
Equity instruments measured at cost less impairment	137,171	83,556
	<hr/>	<hr/>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	3,619,515	2,784,563
	<hr/>	<hr/>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, accrued income and amounts due from members. Financial liabilities measured at amortised cost comprise trade creditors, other creditors, deferred income, amounts due to former members, and certain accruals.

**RESOLUTE ASSET MANAGEMENT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**13 Debtors**

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	834,028	1,077,038
Amounts due from members	2,056,869	1,503,013
Other debtors	1,895,838	812,055
Prepayments and accrued income	800,836	419,277
	<u>5,587,571</u>	<u>3,811,383</u>

**14 Creditors: amounts falling due within one year**

	2019	2018
	£	£
Trade creditors	690,956	523,517
Other taxation and social security	91,211	96,353
Other creditors	1,720,453	1,078,245
Accruals and deferred income	696,776	617,133
	<u>3,199,396</u>	<u>2,315,248</u>

**15 Loans and other debts due to members**

	2019	2018
	£	£
<b>Analysis of loans</b>		
Amounts falling due within one year	<u>469,333</u>	<u>469,333</u>

**16 Operating lease commitments**

**Lessee**

Operating lease payments represent rentals payable by the LLP for its offices. Leases are negotiated for an average term of 5 years. At the reporting end date, the limited liability partnership had outstanding commitments for future lease payments under operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	200,401	194,047
Between two and five years	<u>567,711</u>	<u>673,050</u>
	<u>768,112</u>	<u>867,097</u>

Following the reporting end date, contractual break options were exercised, which reduced the term and amount of the contractual operating lease commitments.

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 17 Related party transactions

During the year, sales were made to: Resolute Lar Romania S.A. of £190,768 (2018: £226,003); Resolute Asset Management SMPC (Greece) of £254,127 (2018: £422,227); Resolute Asset Management Ltd (Cyprus) of £109,797 (2018: £161,436); Resolute Asset Management EOOD (Bulgaria) of £106,390 (2018: £31,659); Resolute Asset Management SA (Portugal) of £1,030 (2018: £7,927); Resolute Asset Management Italy Srl of £110,424 (2018: £3,857); Resolute Data Sciences Ltd (UK) of £149,538 (2018: £0); and Resolute Advisors MENA Ltd (Dubai) of £233 (2018: £0).

At the balance sheet date, the LLP had the following balances outstanding: Resolute Asset Management Ltd (Cyprus) of £140,411 (2018: £38,950 owed to the LLP); Resolute Asset Management SMPC (Greece) of £350,119 (2018: £501,608) owed to the LLP; RIH Poland B.V. of £49,057 owed to the LLP (2018: £35,538); Resolute Asset Management Italy S.r.l of £165,624 (2018: £309,416) owed from the LLP; RAM Bosphorus Gayrimenkul Yonetimi A.S. (Turkey) of £44,970 (2018: £22,136) owed to the LLP; Resolute Asset Management SA (Portugal) of £25,985 (2018: £215,685 owed to the LLP) owed from the LLP; Resolute Asset Management EOOD (Bulgaria) of £516,300 (2018: £38,879) owed to the LLP; Resolute Advisors MENA Ltd (Dubai) of £200,281 (2018: £4,983) owed to the LLP; Resolute Data Sciences Ltd (UK) of £679,127 (2018: £0) owed to the LLP; RIH Malta Ltd (Malta) of £18,321 (2018: £0) owed to the LLP; Resolute Asset Management Kft (Hungary) of £62,422 (2018: £0) owed to the LLP; and Resolute Asset Management Romania S.r.l of £15,320 (2018: £22,194) owed to the LLP.

All of these above companies are owned and controlled by Resolute Asset Management Holdings (Malta) Ltd, which also had an outstanding balance at the year-end of £1,838,550 (2018: £968,167) owed from the LLP.

The LLP is beneficially owned by Resolute Asset Management Holdings (Malta) Limited, a company domiciled and registered in Malta. The ultimate controlling party is Mr W Hancock by virtue of his voting rights.

The LLP was, at the end of the year, part of a large group incorporated within the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The group consolidated accounts can be obtained from Tower Gate Place, Tal-Qroqq Street, L-Imnsida MSD 1703, Malta.

18 Cash generated from operations	2019 £	2018 £
Profit for the year	110,387	372,492
Adjustments for:		
Amortisation and impairment of intangible assets	27,948	11,637
Depreciation and impairment of tangible fixed assets	118,607	93,673
Movements in working capital:		
(Increase) in debtors	(576,792)	(1,127,181)
Increase in creditors	238,609	548,965
Cash absorbed by operations	(81,242)	(100,414)



# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 19 Analysis of changes in net funds

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	407,522	(33,689)	373,833
Loans and other debts due to members:			
- Other amounts due to members	(469,333)	-	(469,333)
Balances including members' debt	(61,811)	(33,689)	(95,500)

### 20 Subsequent events

Subsequent to the year end, the COVID-19 pandemic has developed rapidly and the UK Government has enacted emergency measures to contain the spread of the virus, which have adversely impacted economic activity in the UK.

The Members continue to monitor the situation and have put in place plans to mitigate the potential risks to business continuity.

They have assessed the potential impact of the COVID-19 pandemic on going concern and their statement is provided in note 1.2 to the financial statements.