

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

RESOLUTE ASSET MANAGEMENT LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

WEDNESDAY



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COMPANIES HOUSE

RESOLUTE ASSET MANAGEMENT LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

| | |
|---|---|
| Designated members | W. Hancock R.M. Kingsmill |
| Limited liability partnership number | OC351277 |
| Registered office | 4th Floor Alpha House 24a Lime Street London EC3M 7HS |
| Auditor | BDO LLP 55 Baker Street London W1U 7EU |

RESOLUTE ASSET MANAGEMENT LLP

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RESOLUTE ASSET MANAGEMENT LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The members present their annual report and financial statements for the year ended 31 December 2017.

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 customers.

Principal risks and uncertainties

The principal risks are that the business is subject to the normal difficulties of operation and has the potential to be adversely affected by foreign currency exchange movements as well as political decision making processes in European countries where it has key relationships.

Development and performance

The position of the LLP at the year end has seen turnover increase drastically 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

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.

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.

RESOLUTE ASSET MANAGEMENT LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

On behalf of the members



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

25 / 04 / 2018
.....

RESOLUTE ASSET MANAGEMENT LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

RESOLUTE ASSET MANAGEMENT LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RESOLUTE ASSET MANAGEMENT LLP

Opinion

We have audited the financial statements of Resolute Asset Management Limited Liability Partnership ("the Limited Liability Partnership") for the year ended 31 December 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the reconciliation of members' interests, the statement of cashflows 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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, 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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Members' responsibilities statement, 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

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with the 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.

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Alexander Tapp (Senior Statutory Auditor)
for and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU

25 APR 2018

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 2017

| | | 2017 | 2016 |
|---|--------------|-------------|-------------|
| | Notes | £ | £ |
| Turnover | 3 | 2,505,703 | 2,558,238 |
| Administrative expenses | | (2,360,371) | (2,095,190) |
| Operating profit | 4 | 145,332 | 463,048 |
| Interest receivable and similar income | 8 | - | 1 |
| Profit for the financial year before members' remuneration and profit shares | | 145,332 | 463,049 |
| Profit for the financial year before members' remuneration and profit shares | | 145,332 | 463,049 |
| Profit for the financial year available for discretionary division among members | | 145,332 | 463,049 |

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 2017

| | 2017 | 2016 |
|---|----------------|----------------|
| | £ | £ |
| Profit for the financial year available for discretionary division among members | 145,332 | 463,049 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>145,332</u> | <u>463,049</u> |

RESOLUTE ASSET MANAGEMENT LLP

BALANCE SHEET

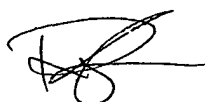
AS AT 31 DECEMBER 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|-------------|---|-------------|---|
| Fixed assets | | | | | |
| Intangible assets | 9 | 27,800 | | - | |
| Tangible assets | 10 | 77,405 | | 64,375 | |
| Investments | 11 | 83,556 | | - | |
| | | 188,761 | | 64,375 | |
| Current assets | | | | | |
| Debtors | 14 | 2,390,183 | | 1,529,707 | |
| Cash at bank and in hand | | 1,024,217 | | 931,150 | |
| | | 3,414,400 | | 2,460,857 | |
| Creditors: amounts falling due within one year | 15 | (1,766,285) | | (1,353,840) | |
| Net current assets | | 1,648,115 | | 1,107,017 | |
| Total assets less current liabilities | | 1,836,876 | | 1,171,392 | |
| Represented by: | | | | | |
| Loans and other debts due to members within one year | | | | | |
| Members' capital classified as a liability | | 469,333 | | 469,333 | |
| Members' other interests | | | | | |
| Members' capital classified as equity | | 1,768,452 | | 1,102,968 | |
| Other reserves classified as equity | | (400,909) | | (400,909) | |
| | | 1,836,876 | | 1,171,392 | |
| Total members' interests | | | | | |
| Amounts due from members | | (1,208,994) | | (691,581) | |
| Loans and other debts due to members | | 469,333 | | 469,333 | |
| Members' other interests | | 1,367,543 | | 702,059 | |
| | | 627,882 | | 479,811 | |

The financial statements were approved by the members and authorised for issue on 25 / 04 / 2018 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 2017

| Current financial year | EQUITY Members' other interests | | | DEBT Loans and other debts due to members less any amounts due from members in debtors | | TOTAL MEMBERS' INTERESTS |
|--|---|----------------|-----------|---|-----------|--------------------------|
| | Members' capital (classified as equity) | Other reserves | Total | Other amounts | Total | Total 2017 |
| | £ | £ | £ | £ | £ | £ |
| Amounts due to members | | | | 469,333 | | |
| Amounts due from members | | | | (691,581) | | |
| Members' interests at 1 January 2017 | 1,102,968 | (400,909) | 702,059 | (222,248) | (222,248) | 479,811 |
| Profit for the financial year available for discretionary division among members | - | 145,332 | 145,332 | - | - | 145,332 |
| Members' interests after profit for the year | 1,102,968 | (255,577) | 847,391 | (222,248) | (222,248) | 625,143 |
| Allocation of profit for the financial year | - | - | - | 145,332 | 145,332 | 145,332 |
| Other divisions of profits | - | (145,332) | (145,332) | - | - | (145,332) |
| Introduced by members | 665,484 | - | 665,484 | - | - | 665,484 |
| Other movements | - | - | - | (662,745) | (662,745) | (662,745) |
| Members' interests at 31 December 2017 | 1,768,452 | (400,909) | 1,367,543 | (739,661) | (739,661) | 627,882 |
| Amounts due to members | | | | 469,333 | | |
| Amounts due from members, included in debtors | | | | (1,208,994) | | |
| | | | | (739,661) | | |

RESOLUTE ASSET MANAGEMENT LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

| 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 2016 |
| | £ | £ | £ | £ | £ | £ |
| Amounts due to members | | | | 509,072 | | |
| Amounts due from members | | | | (509,285) | | |
| Members' interests at 1 January 2016 | 720,737 | (400,909) | 319,828 | (213) | (213) | 319,615 |
| Profit for the financial year available for discretionary division among members | - | 463,049 | 463,049 | - | - | 463,049 |
| Members' interests after profit for the year | 720,737 | 62,140 | 782,877 | (213) | (213) | 782,664 |
| Allocation of profit for the financial year | - | - | - | 463,049 | 463,049 | 463,049 |
| Other divisions of profits | - | (463,049) | (463,049) | - | - | (463,049) |
| Introduced by members | 382,231 | - | 382,231 | - | - | 382,231 |
| Other movements | - | - | - | (685,084) | (685,084) | (685,084) |
| Members' interests at 31 December 2016 | 1,102,968 | (400,909) | 702,059 | (222,248) | (222,248) | 479,811 |
| Amounts due to members | | | | 469,333 | | |
| Amounts due from members, included in debtors | | | | (691,581) | | |
| | | | | (222,248) | | |

RESOLUTE ASSET MANAGEMENT LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|------------------|---|------------------|---|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 19 | 250,600 | | 893,024 | |
| Income taxes (paid)/refunded | | - | | 2,240 | |
| Net cash inflow from operating activities | | 250,600 | | 895,264 | |
| Investing activities | | | | | |
| Purchase of intangible assets | | (27,800) | | - | |
| Purchase of tangible fixed assets | | (48,916) | | (70,227) | |
| Purchase of subsidiary undertaking | | (83,556) | | - | |
| Interest received | | - | | 1 | |
| Net cash used in investing activities | | (160,272) | | (70,226) | |
| Financing activities | | | | | |
| Capital introduced by members (classified as debt or equity) | | 665,484 | | 382,231 | |
| Payments to members that represent a return on amounts subscribed or otherwise contributed | | (662,745) | | (685,084) | |
| Repayment of borrowings | | - | | (41,765) | |
| Net cash generated from/(used in) financing activities | | 2,739 | | (344,618) | |
| Net increase in cash and cash equivalents | | 93,067 | | 480,420 | |
| Cash and cash equivalents at beginning of year | | 931,150 | | 450,730 | |
| Cash and cash equivalents at end of year | | 1,024,217 | | 931,150 | |

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 4th Floor, 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

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting 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.

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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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.

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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.

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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 2017

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:

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| Turnover analysed by class of business | | |
| Professional services | 2,505,703 | 2,558,238 |
| | <u>2,505,703</u> | <u>2,558,238</u> |
| | 2017 £ | 2016 £ |
| Turnover analysed by geographical market | | |
| Overseas | 2,462,268 | 2,079,477 |
| UK | 43,435 | 478,761 |
| | <u>2,505,703</u> | <u>2,558,238</u> |

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Operating profit

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange losses/(gains) | 55,052 | (163,965) |
| Depreciation of owned tangible fixed assets | 35,886 | 15,345 |
| Operating lease charges | 131,964 | 108,689 |
| | <u> </u> | <u> </u> |

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 losses of £55,052 (2016 - gains of £163,965).

5 Auditor's remuneration

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | £ | £ |
| Fees payable to the LLP's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the LLP | 17,000 | 15,000 |
| | <u> </u> | <u> </u> |

6 Employees

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

| | 2017 | 2016 |
|--------------|-------------------|-------------------|
| | Number | Number |
| Office staff | 14 | 16 |
| | <u> </u> | <u> </u> |

Their aggregate remuneration comprised:

| | 2017 | 2016 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 988,639 | 1,045,421 |
| Social security costs | 115,756 | 111,025 |
| | <u> </u> | <u> </u> |
| | 1,104,395 | 1,156,446 |
| | <u> </u> | <u> </u> |

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Information in relation to members

| | 2017 Number | 2016 Number |
|--|----------------|----------------|
| Average number of members during the year | 3 | 3 |
| | <u>3</u> | <u>3</u> |
| | 2017 £ | 2016 £ |
| Profit attributable to the member with the highest entitlement | 88,653 | 241,854 |
| | <u>88,653</u> | <u>241,854</u> |

8 Interest receivable and similar income

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Interest income | | |
| Interest on bank deposits | - | 1 |
| | <u>-</u> | <u>1</u> |
| Investment income includes the following: | | |
| Interest on financial assets not measured at fair value through profit or loss | - | 1 |
| | <u>-</u> | <u>1</u> |

9 Intangible fixed assets

| | Software £ |
|--|---------------|
| Cost | |
| At 1 January 2017 | - |
| Additions - internally developed | 27,800 |
| | <u>27,800</u> |
| At 31 December 2017 | 27,800 |
| Amortisation and impairment | |
| At 1 January 2017 and 31 December 2017 | - |
| | <u>-</u> |
| Carrying amount | |
| At 31 December 2017 | 27,800 |
| | <u>27,800</u> |
| At 31 December 2016 | - |
| | <u>-</u> |

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Tangible fixed assets

| | Fixtures, fittings & equipment £ | Computer equipment £ | Total £ |
|------------------------------------|---|----------------------------|------------|
| Cost | | | |
| At 1 January 2017 | 7,593 | 85,264 | 92,857 |
| Additions | 15,000 | 33,916 | 48,916 |
| At 31 December 2017 | 22,593 | 119,180 | 141,773 |
| Depreciation and impairment | | | |
| At 1 January 2017 | 7,381 | 21,101 | 28,482 |
| Depreciation charged in the year | 53 | 35,833 | 35,886 |
| At 31 December 2017 | 7,434 | 56,934 | 64,368 |
| Carrying amount | | | |
| At 31 December 2017 | 15,159 | 62,246 | 77,405 |
| At 31 December 2016 | 212 | 64,163 | 64,375 |

11 Fixed asset investments

| | 2017 £ | 2016 £ |
|----------------------|-----------|-----------|
| Unlisted investments | 83,556 | - |

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).

Movements in fixed asset investments

| | Investments other than loans £ |
|--------------------------|---|
| Cost or valuation | |
| At 1 January 2017 | - |
| Additions | 83,556 |
| At 31 December 2017 | 83,556 |
| Carrying amount | |
| At 31 December 2017 | 83,556 |
| At 31 December 2016 | - |

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 Subsidiaries

Details of the limited liability partnership's subsidiaries at 31 December 2017 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.

13 Financial instruments

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 2,099,511 | 1,414,141 |
| Equity instruments measured at cost less impairment | 83,556 | - |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 2,212,111 | 1,792,359 |

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.

14 Debtors

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 445,699 | 438,409 |
| Amounts due from members | 1,208,994 | 691,581 |
| Other debtors | 464,442 | 284,151 |
| Prepayments and accrued income | 271,048 | 115,566 |
| | <u>2,390,183</u> | <u>1,529,707</u> |

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 341,382 | 302,292 |
| Other taxation and social security | 23,507 | 30,814 |
| Other creditors | 816,613 | 524,859 |
| Accruals and deferred income | 584,783 | 495,875 |
| | <u>1,766,285</u> | <u>1,353,840</u> |

16 Loans and other debts due to members

| | 2017 £ | 2016 £ |
|-------------------------------------|----------------|----------------|
| Analysis of loans | | |
| Amounts falling due within one year | <u>469,333</u> | <u>469,333</u> |

17 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the LLP for certain of its properties. Leases are negotiated for an average term of 5 years.

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2017 £ | 2016 £ |
|----------------------------|----------------|---------------|
| Within one year | 102,502 | 66,306 |
| Between two and five years | 407,327 | - |
| | <u>509,829</u> | <u>66,306</u> |

RESOLUTE ASSET MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Related party transactions

During the year, sales were made to: Resolute Lar Romania S.A. of £266,411 (2016: £205,760); Resolute Asset Management SMPC (Greece) of £99,381 (2016: £8,040); Resolute Asset Management Ltd (Cyprus) of £244,473 (2016: £288,359) and Resolute Asset Management EOOD (Bulgaria) of £38,275 (2016: £52,559).

At the balance sheet date, the LLP had the following balances outstanding: Resolute Asset Management SMPC (Greece) of £75,105 (2016: £60,177) owed to the LLP; Resolute Lar Romania S.A. of £81,759 (2016: £75,390) owed to the LLP; Resolute Asset Management Ltd Italy S.r.l of £300,915 (2016: £153,015) owed to the LLP; RAM Bosphorus Gayrimenkul Yonetimi A.S. (Turkey) of £5,795 (2016: £4,247) owed to the LLP; Resolute Asset Management Ltd (Cyprus) of £121,110 (2016: £149,566) owed to the LLP; Resolute Asset Management EOOD (Bulgaria) of £114,843 (2016: £262,948) owed from the LLP. These companies are owned and controlled by Resolute Asset Management Holdings (Malta) Limited, which also had an outstanding balance at the year end of £1,275,780 (2016: £935,127) 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 shareholding.

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-Imsida MSD 1703, Malta.

| 19 Cash generated from operations | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Profit for the year | 145,332 | 463,049 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | - | (1) |
| Depreciation and impairment of tangible fixed assets | 35,886 | 15,345 |
| Movements in working capital: | | |
| (Increase) in debtors | (343,063) | (434,372) |
| Increase in creditors | 412,445 | 849,003 |
| Cash generated from operations | 250,600 | 893,024 |