

Limited Liability Partnership registration number OC351277 (England and Wales)

**RESOLUTE ASSET MANAGEMENT LLP**

**FINANCIAL STATEMENTS**

for the year ended

**31 DECEMBER 2021**

# RESOLUTE ASSET MANAGEMENT LLP

## LIMITED LIABILITY PARTNERSHIP INFORMATION

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<b>Designated members</b>	W. Hancock R.M. Kingsmill Resolute Asset Management UK Limited
<b>LLP registration number</b>	OC351277
<b>Registered office</b>	4th Floor Alpha House 24a Lime Street London EC3M 7HS
<b>Auditor</b>	Fisher Phillips LLP Summit House 170 Finchley Road London NW3 6BP

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# RESOLUTE ASSET MANAGEMENT LLP

## CONTENTS

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	<b>Page</b>
Members' report	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Balance sheet	7 - 8
Reconciliation of members' interests	9 - 10
Statement of cash flows	11
Notes to the financial statements	12 - 23

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# **RESOLUTE ASSET MANAGEMENT LLP**

## **MEMBERS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The members present their annual report and financial statements for the year ended 31 December 2021.

### **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.

### **Members' drawings, contributions and repayments**

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".

### **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

### **Auditor**

Fisher Phillips LLP were appointed as auditor to the limited liability partnership and in accordance with section 485 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), a resolution proposing that they be re-appointed will be put at a general meeting.

### **Energy and carbon report**

As the LLP has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

# **RESOLUTE ASSET MANAGEMENT LLP**

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

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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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 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.

Approved by the members on 31 January 2023 and signed on behalf by:

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 Limited Liability Partnership ("the Limited Liability Partnership") for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the reconciliation of members' interests, the statement of cash 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 2021 and of its loss 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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**

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and its industry, we identified the principal risks of non-compliance with laws and regulations related to company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, tax legislation regarding payroll, VAT and corporation tax.

We evaluated the management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk to override controls), and performed the following audit procedures:

- Enquiry with senior management and those charged with governance about known or suspected instances of non-compliance with laws and regulations and fraud.
- Reviewing correspondence and minutes of relevant meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

## **RESOLUTE ASSET MANAGEMENT LLP**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

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##### **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 the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Steven Frost (Senior Statutory Auditor)**  
**For and on behalf of Fisher Phillips LLP**

31 January 2023

**Chartered Accountants**  
**Statutory Auditor**

Summit House  
170 Finchley Road  
London  
NW3 6BP



## RESOLUTE ASSET MANAGEMENT LLP

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Turnover	3	3,015,329	5,909,845
Administrative expenses		(4,662,327)	(4,800,070)
Other operating income		-	43,374
		<hr/>	<hr/>
(Loss)/profit for the financial year before members' remuneration and profit shares available for discretionary division among members		(1,646,998)	1,153,149
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# RESOLUTE ASSET MANAGEMENT LLP

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	8		82,554		85,953
Tangible assets	9		40,099		71,359
Investments	10		137,171		137,171
			<u>259,824</u>		<u>294,483</u>
<b>Current assets</b>					
Debtors	11	9,314,497		8,189,771	
Cash at bank and in hand		85,280		2,857,197	
		<u>9,399,777</u>		<u>11,046,968</u>	
<b>Creditors: amounts falling due within one year</b>	12	(11,020,052)		(7,996,852)	
<b>Net current (liabilities)/assets</b>			<u>(1,620,275)</u>		<u>3,050,116</u>
<b>Total assets less current liabilities and net (liabilities)/assets attributable to members</b>			<u>(1,360,451)</u>		<u>3,344,599</u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Amounts due in respect of profits			(2,158,696)		2,659,073
Other amounts			(1,689,363)		(2,189,740)
			<u>(3,848,059)</u>		<u>469,333</u>
<b>Members' other interests</b>					
Members' capital classified as equity			4,535,515		3,276,175
Other reserves classified as equity			(2,047,907)		(400,909)
			<u>(1,360,451)</u>		<u>3,344,599</u>
<b>Total members' interests</b>					
Amounts due from members			2,158,696		(1,505,924)
Loans and other debts due to members			(3,848,059)		469,333
Members' other interests			2,487,608		2,875,266
			<u>798,245</u>		<u>1,838,675</u>

## **RESOLUTE ASSET MANAGEMENT LLP**

### **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2021***

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The financial statements were approved by the members and authorised for issue on 31 January 2023 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 2021

Current 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	Other reserves	Total	Other amounts	Total	Total 2021
	£	£	£	£	£	£
Amounts due to members				469,333		
Amounts due from members				(1,505,924)		
Members' interests at 1 January 2021	3,276,175	(400,909)	2,875,266	(1,036,591)	(1,036,591)	1,838,675
Loss for the financial year available for discretionary division among members	-	(1,646,998)	(1,646,998)	-	-	(1,646,998)
Members' interests after loss for the year	3,276,175	(2,047,907)	1,228,268	(1,036,591)	(1,036,591)	191,677
Other divisions of losses	-	1,646,998	1,646,998	-	-	1,646,998
Introduced by members	1,259,340	-	1,259,340	-	-	1,259,340
Other movements	-	(1,646,998)	(1,646,998)	(652,772)	(652,772)	(2,299,770)
Members' interests at 31 December 2021	4,535,515	(2,047,907)	2,487,608	(1,689,363)	(1,689,363)	798,245
Amounts due to members				(3,848,059)		
Amounts due from members, included in debtors				2,158,696		
				(1,689,363)		

# RESOLUTE ASSET MANAGEMENT LLP

## RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Other reserves	Total	Other amounts	Total	Total 2020
	£	£	£	£	£	£
Amounts due to members				469,333		
Amounts due from members				(2,056,869)		
Members' interests at 1 January 2020	3,076,175	(400,909)	2,675,266	(1,587,536)	(1,587,536)	1,087,730
Profit for the financial year available for discretionary division among members	-	1,153,149	1,153,149	-	-	1,153,149
Members' interests after profit for the year	3,076,175	752,240	3,828,415	(1,587,536)	(1,587,536)	2,240,879
Allocation of profit for the financial year	-	-	-	1,153,149	1,153,149	1,153,149
Other divisions of profits	-	(1,153,149)	(1,153,149)	-	-	(1,153,149)
Introduced by members	200,000	-	200,000	-	-	200,000
Other movements	-	-	-	(602,204)	(602,204)	(602,204)
Members' interests at 31 December 2020	3,276,175	(400,909)	2,875,266	(1,036,591)	(1,036,591)	1,838,675
Amounts due to members				469,333		
Amounts due from members, included in debtors				(1,505,924)		
				(1,036,591)		

# RESOLUTE ASSET MANAGEMENT LLP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	16		(3,340,754)		2,909,740
<b>Investing activities</b>					
Purchase of intangible assets		(30,083)		(18,905)	
Purchase of tangible fixed assets		(7,648)		(5,267)	
Transfer to other reserves		1,646,998		-	
<b>Net cash generated from/(used in) investing activities</b>			1,609,267		(24,172)
<b>Financing activities</b>					
Capital introduced by members (classified as debt or equity)		1,259,340		200,000	
Payments to members that represent a return on amounts subscribed or otherwise contributed		(2,299,770)		(602,204)	
<b>Net cash used in financing activities</b>			(1,040,430)		(402,204)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(2,771,917)		2,483,364
Cash and cash equivalents at beginning of year			2,857,197		373,833
<b>Cash and cash equivalents at end of year</b>			85,280		2,857,197

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 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**

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 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 Turnover**

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.4 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.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

#### 1.5 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 fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Computer software	25% straight line
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#### 1.6 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.



# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.7 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.

#### 1.8 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.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.10 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.

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **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.

#### **Basic financial 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.

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **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.

#### **1.11 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.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.13 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 in the period are included in profit or loss.

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.14 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:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Professional services	3,015,329	5,909,845
	<u>3,015,329</u>	<u>5,909,845</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
Overseas	1,804,969	3,046,905
UK	1,210,360	2,862,940
	<u>3,015,329</u>	<u>5,909,845</u>

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Operating (loss)/profit

	2021	2020
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	66,580	(105,763)
Depreciation of owned tangible fixed assets	38,908	81,817
Amortisation of intangible assets	33,482	30,464
Operating lease charges	667,723	351,718
	<u>667,723</u>	<u>351,718</u>

### 5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the LLP's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the LLP	30,000	20,000
	<u>30,000</u>	<u>20,000</u>

### 6 Employees

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

	2021	2020
	Number	Number
Office staff	20	33
	<u>20</u>	<u>33</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,060,902	2,650,404
	<u>2,060,902</u>	<u>2,650,404</u>

### 7 Information in relation to members

	2021	2020
	Number	Number
Average number of members during the year	3	3
	<u>3</u>	<u>3</u>
	2021	2020
	£	£
Profit attributable to the member with the highest entitlement	-	761,078
	<u>-</u>	<u>761,078</u>

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 January 2021	156,002
Additions - internally developed	30,083
At 31 December 2021	186,085
<b>Amortisation and impairment</b>	
At 1 January 2021	70,049
Amortisation charged for the year	33,482
At 31 December 2021	103,531
<b>Carrying amount</b>	
At 31 December 2021	82,554
At 31 December 2020	85,953

### 9 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2021	201,155	228,670	429,825
Additions	-	7,648	7,648
At 31 December 2021	201,155	236,318	437,473
<b>Depreciation and impairment</b>			
At 1 January 2021	138,042	220,424	358,466
Depreciation charged in the year	28,172	10,736	38,908
At 31 December 2021	166,214	231,160	397,374
<b>Carrying amount</b>			
At 31 December 2021	34,941	5,158	40,099
At 31 December 2020	63,113	8,246	71,359

### 10 Fixed asset investments

	2021 £	2020 £
Unlisted investments	137,171	137,171

# RESOLUTE ASSET MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

### 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).

### 11 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	4,064,699	2,450,163
Amounts owed by members	(2,158,696)	1,505,924
Other debtors	7,031,337	3,806,177
Prepayments and accrued income	377,157	427,507
	<u>9,314,497</u>	<u>8,189,771</u>

### 12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	2,746,215	1,179,694
Other taxation and social security	48,751	260,694
Other creditors	7,686,334	5,636,651
Accruals and deferred income	538,752	919,813
	<u>11,020,052</u>	<u>7,996,852</u>

### 13 Loans and other debts due to members

	2021	2020
	£	£
<b>Analysis of loans</b>		
Amounts falling due within one year	<u>(3,848,059)</u>	<u>469,333</u>

## RESOLUTE ASSET MANAGEMENT LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **14 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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	278,113	278,113
Between two and five years	408,407	686,520
	<hr/>	<hr/>
	686,520	964,633
	<hr/> <hr/>	<hr/> <hr/>



## RESOLUTE ASSET MANAGEMENT LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 15 Related party transactions

During the year, sales were made to: Resolute Lar Romania S.A. of £0 (2020: £191,069; Resolute Asset Management SMPC (Greece) of £1,571 (2020: £197,023); Resolute Asset Management Ltd (Cyprus) of £104,369 (2020: £108,385); Resolute Asset Management EOOD (Bulgaria) of £10,131 (2020: £108,670); Resolute Asset Management SA (Portugal) of £0 (2020: £391); and Resolute Asset Management Italy Srl of £106,384 (2020: £121,481); Recognyte Ltd (formerly Resolute Data Sciences Ltd) of £228,270 (2020: £168,902); Resolute Advisors MENA Ltd (Dubai) of £15,252 (2020: £30,879); Resolute Asset Management Kft (Hungary) of £0 (2020: £90); and Resam Consulting Ltd (UK) of £2,340,983 (2020: £691,164); Resolute Asset Management Spain S.L. of £26,182 (2020: £0).

At the balance sheet date, the LLP had the following balances outstanding: Resolute Asset Management Ltd (Cyprus) of £3,298,885 (2020: £3,023,311) owed from the LLP; Resolute Asset Management SMPC (Greece) of £740,454 (2020: £544,525) owed to the LLP; RIH Poland B.V. of £72,263 (2020: £57,181) owed to the LLP; Resolute Asset Management Italy S.r.l of £678,865 (2020: £199,965) owed from the LLP; RAM Bosphorus Gayrimenkul Yonetimi A.S. (Turkey) of £25,958 (2020: £39,627 owed to the LLP) owed from the LLP; Resolute Asset Management SA (Portugal) of £46,777 (2020: £46,683) owed to the LLP; Resolute Asset Management EOOD (Bulgaria) of £428,614 (2020: £599,542) owed from the LLP; Resolute Advisors MENA Ltd (Dubai) of £1,029,646 (2020: £584,023) owed to the LLP; Recognyte Ltd (formerly Resolute Data Sciences Ltd) of £3,407,614 (2020: £1,855,117) owed to the LLP; RIH Malta Ltd of £159,259 (2020: £18,686) owed to the LLP; Resolute Asset Management Kft (Hungary) of £236,752 (2020: £150,907) owed to the LLP; Resolute Asset Management Romania S.r.l of £1,763 (2020: £260,337) owed to the LLP; Resolute Asset Management Spain S.L. of £193,809 (2020: £24,709) owed to the LLP; and Resam Consulting Ltd of £1,713,125 (2020: £283,718) owed from the LLP.

All of these above companies are owned and controlled by Resolute Asset Management Holdings (Malta) Limited, which also had an outstanding balance at the year-end of £140,130 (2020: £1,294,860 owed from the LLP) owed to 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, Limsida MSD 1703, Malta.

## RESOLUTE ASSET MANAGEMENT LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16	Cash (absorbed by)/generated from operations	2021 £	2020 £
	(Loss)/profit for the year	(1,646,998)	1,153,148
	<b>Adjustments for:</b>		
	Amortisation and impairment of intangible assets	33,482	30,464
	Depreciation and impairment of tangible fixed assets	38,908	81,817
	<b>Movements in working capital:</b>		
	Increase in debtors	(4,789,346)	(3,153,145)
	Increase in creditors	3,023,200	4,797,456
	<b>Cash (absorbed by)/generated from operations</b>	<b>(3,340,754)</b>	<b>2,909,740</b>

17	Analysis of changes in net funds	1 January 2021 £	Cash flows £	31 December 2021 £
	Cash at bank and in hand	2,857,197	(2,771,917)	85,280
	Loans and other debts due to members:			
	- Other amounts due to members	(469,333)	4,317,392	3,848,059
	Balances including members' debt	2,387,864	1,545,475	3,933,339

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.