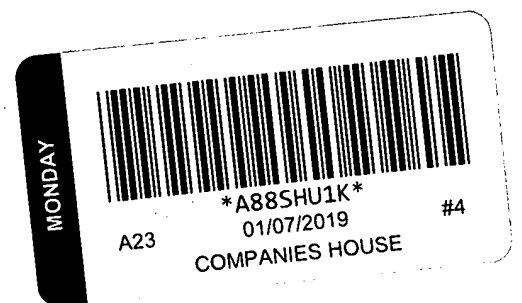


**REPORT OF THE MEMBERS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
GP BULLHOUND LLP**



GP BULLHOUND LLP

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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GP BULLHOUND LLP

**GENERAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

Designated members:

GP Bullhound Corporate Finance Ltd
Graeme Bayley

Registered office:

52 Jermyn Street
London
SW1Y 6LX

Registered number:

OC352636 (England and Wales)

Auditors:

The Gallagher Partnership LLP
69-85 Tabernacle Street
2nd Floor
London
EC2A 4RR

**REPORT OF THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The members present their report with the financial statements of the LLP for the year ended 31 December 2018.

Principal activity

The principal activity of the limited liability partnership is that of investment banking activities including mergers & acquisitions and private/public placement advice as well as research and asset management services to corporate, institutional and professional individual investors. Our sector coverage spans across the digital media, eCommerce, software and hardware industries. The firm was established in 1999 and since then it has completed over 250 M&A and Private Placement transactions in its sectors. The firm is authorised and regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority. The firm and its ultimate holding company, GP Bullhound Holdings Limited, are headquartered in London with another UK office in Manchester, a US FINRA registered broker dealer subsidiary in San Francisco, USA, a UK FCA passported appointed representative subsidiary in Stockholm, Sweden, subsidiaries in Berlin, Germany, in Paris, France, Spain and Hong Kong and two regulated subsidiaries and a small private club subsidiary all in Jersey, Channel Islands.

GP Bullhound founded and continues to manage important industry events including Investor Allstars, Media Momentum, the Summit and Northern Tech Awards events. The group also continues to publish independent research reports on its target sectors.

Review of business

The firm performed well in 2018 with good activity levels in a recovering environment. The team expanded during the year as high quality people became available to meet the demands of the business. The firm finished the year with a strong activity level reflecting the efforts of the team and a continued focus on good business.

The firm is governed by its Members who are responsible for implementing a risk management framework that is determined by the Managing Member. The unaudited Pillar 3 disclosure document of the company's risk management objectives and policies, capital resources and requirements on remuneration, in accordance with the rules of the FCA, can be found on the company's website <http://www.gpbullhound.com>.

Future developments

The Members expect the business to continue to grow in the forthcoming year.

Designated members

The designated members during the year under review were:

GP Bullhound Corporate Finance Ltd
Graeme Bayley

Results for the year and allocation to members

The profit for the year before members' remuneration and profit shares was £9,835,289 (2017 - £11,561,419 profit).

Members' interests

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".

**REPORT OF THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Principal risks and uncertainties facing the business

This section highlights some of the key business risks that impact on the firm but it is not intended to be an extensive analysis of all of the risks facing the business. Some risks may be unknown to us and other risks, currently regarded as immaterial, could turn out to be material. All of them have the potential to impact on the business.

The Members have considered the risks presented by the current geopolitical events that are taking place in the territories in which we operate, including Brexit, the trade disputes between China and the USA and other more technology industry focused events such as the recent changes in EU legislation. Whilst some of these events may impact our business, and we are preparing for them insofar as we can without knowing what the final outcomes may be, at present the Members is not seeing any impact on the business and anticipates opportunities arising as a result of future changes in our business environment.

Management continually monitor the key risks facing the business together with assessing the controls used for managing these risks.

Operational risk

Operational risk is defined as the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems, or from external events including legal and compliance risks. Operational risks are inherent in all activities within the organisation, and in all interaction with external parties. The firm monitors operational risk through internal controls.

Interest rate risk

The firm is exposed to interest rate risk with regard to holdings in cash. Cash holdings on deposit are at a fixed rate. The firm does not have any borrowings and surplus funds are placed on short term deposits and insofar as is reasonably practicable are held in a balance of currencies to reflect and naturally hedge the firm's cost base.

Credit risk

Credit risk is the possibility of a loss occurring due to the financial failure of a client, counterparty or bank of the firm to meet its contractual debt obligations. The firm manages credit risk to which it is exposed through the application of credit limits which are monitored on a regular basis by the Members.

Liquidity risk

It is the firm's policy to ensure that it has sufficient access to funds to cover all forecast committed requirements for the next 12 months. Personnel within the firm, supported by third party advisors, are responsible for producing and maintaining market and liquidity risk reports based on the Financial Conduct Authority's methodologies under the Capital Adequacy Directive.

Key performance indicators (kpis)

Management use a range of performance measures to monitor and manage the business. Summarised below is an extract from the audited financial statements:

	2018	2017
	£m	£m
Turnover	25.68	22.48
Profit before members remuneration	9.84	11.56
Members' interests	4.05	3.71

Given the straight forward nature of the business the members are of the opinion that analysis using non financial KPIs is not necessary for the understanding of the development, performance or position of the business.

GP BULLHOUND LLP

**REPORT OF THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Statement of members' responsibilities

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under legislation applicable to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

On behalf of the members:


GP Bullhound Corporate Finance Ltd - Designated member

Date: 3/4/19

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GP BULLHOUND LLP

Opinion

We have audited the financial statements of GP Bullhound LLP (the 'LLP') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Reconciliation of Members' Interests, Cash Flow Statement and Notes to the Cash Flow Statement, 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 LLP's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information in the Report of the Members, but does not include the financial statements and our Report of the Auditors 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.

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 LLPs requires us to report to you if, in our opinion:

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

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GP BULLHOUND LLP**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs 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 LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.



Chris Evans FCA (Senior Statutory Auditor)
for and on behalf of The Gallagher Partnership LLP
69-85 Tabernacle Street
2nd Floor
London
EC2A 4RR

Date: 10 April 2019

GP BULLHOUND LLP

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover		25,679,332	22,480,031
Cost of sales		(1,349,240)	(1,399,276)
Gross profit		24,330,092	21,080,755
Administrative expenses		(14,600,612)	(9,494,670)
Operating profit	5	9,729,480	11,586,085
Interest receivable and similar income		105,809	7,516
		<u>9,835,289</u>	<u>11,593,601</u>
Amounts written off investments	6	-	(32,182)
Profit for the financial year before members' remuneration and profit shares		<u>9,835,289</u>	<u>11,561,419</u>
Profit for the financial year before members' remuneration and profit shares		9,835,289	11,561,419
Members' remuneration charged as an expense	7	(9,835,289)	(11,561,419)
Profit for the financial year available for discretionary division among members		<u>-</u>	<u>-</u>

The notes form part of these financial statements

GP BULLHOUND LLP

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Profit for the financial year available for discretionary division among members		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The notes form part of these financial statements

GP BULLHOUND LLP (REGISTERED NUMBER: OC352636)

BALANCE SHEET
31 DECEMBER 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	8	85,480	12,567
Current assets			
Debtors	9	17,712,908	9,156,245
Investments	10	10,262	228,214
Cash at bank		9,133,408	14,366,542
		<u>28,856,578</u>	<u>23,749,001</u>
Creditors			
Amounts falling due within one year	11	<u>22,894,750</u>	<u>20,053,808</u>
Net current assets		<u>3,961,828</u>	<u>3,695,193</u>
Total assets less current liabilities and			
Net assets attributable to members		<u>4,047,308</u>	<u>3,707,760</u>
Loans and other debts due to members	14	1,547,308	1,807,760
Members' other interests			
Capital accounts		<u>2,500,000</u>	<u>2,100,000</u>
		<u>4,047,308</u>	<u>3,707,760</u>
Total members' interests			
Loans and other debts due to members	14	1,547,308	1,807,760
Members' other interests		<u>2,500,000</u>	<u>2,100,000</u>
		<u>4,047,308</u>	<u>3,707,760</u>

The financial statements were approved by the members of the LLP on 3 April 2019 and were signed by:


GP Bullhound Corporate Finance Ltd - Designated member

The notes form part of these financial statements

GP BULLHOUND LLP

RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	EQUITY		
	Members' capital (classified as equity) £	Members' other interests Other reserves £	Total £
Balance at 1 January 2018	2,100,000	-	2,100,000
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among members	-	-	-
Members' interests after profit for the year	2,100,000	-	2,100,000
Introduced by members	400,000	-	400,000
Drawings	-	-	-
Balance at 31 December 2018	2,500,000	-	2,500,000
	DEBT		TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors	Other amounts £	Total £
Amount due to members	1,607,760		
Amount due from members	-		
Balance at 1 January 2018	1,607,760		3,707,760
Members' remuneration charged as an expense, including employment and retirement benefit costs	9,835,289		9,835,289
Profit for the financial year available for discretionary division among members	-		-
Members' interests after profit for the year	11,443,049		13,543,049
Introduced by members	709		400,709
Drawings	(9,896,450)		(9,896,450)
Amount due to members	1,547,308		
Amount due from members	-		
Balance at 31 December 2018	1,547,308		4,047,308

The notes form part of these financial statements

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	EQUITY		
	Members' capital (classified as equity) £	Members' other interests Other reserves £	Total £
Balance at 1 January 2017	1,761,000	-	1,761,000
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among members	-	-	-
Members' interests after profit for the year	1,761,000	-	1,761,000
Introduced by members	339,000	-	339,000
Drawings	-	-	-
Balance at 31 December 2017	2,100,000	-	2,100,000
	DEBT		TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors		
	Other amounts £		Total £
Amount due to members	932,552		
Amount due from members	-		
Balance at 1 January 2017	932,552		2,693,552
Members' remuneration charged as an expense, including employment and retirement benefit costs	11,561,419		11,561,419
Profit for the financial year available for discretionary division among members	-		-
Members' interests after profit for the year	12,493,971		14,254,971
Introduced by members	783,561		1,122,561
Drawings	(11,669,772)		(11,669,772)
Amount due to members	1,607,760		
Amount due from members	-		
Balance at 31 December 2017	1,607,760		3,707,760

The notes form part of these financial statements

GP BULLHOUND LLP

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018	2017
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	4,555,391	15,356,038
Net cash from operating activities		4,555,391	15,356,038
Cash flows from investing activities			
Purchase of tangible fixed assets		(170,961)	(25,133)
Purchase of current asset investments		(140,657)	(3,318)
Interest received		18,834	7,516
Net cash from investing activities		(292,784)	(20,935)
Cash flows from financing activities			
Transactions with members and former members			
Payments to members		(9,896,450)	(11,669,772)
Contributions by members		400,709	1,122,561
Net cash from financing activities		(9,495,741)	(10,547,211)
(Decrease)/increase in cash and cash equivalents		(5,233,134)	4,787,892
Cash and cash equivalents at beginning of year	2	14,366,542	9,578,650
Cash and cash equivalents at end of year	2	9,133,408	14,366,542

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Reconciliation of profit for the financial year available for discretionary division among members to cash generated from operations

	2018 £	2017 £
Profit for the financial year available for discretionary division among members	-	-
Members' remuneration charged as an expense	9,835,289	11,561,419
Depreciation charges	98,048	50,006
Current investment transfer within group	443,584	-
Finance income	(105,809)	(7,516)
	<u>10,271,112</u>	<u>11,603,909</u>
Increase in trade and other debtors	(8,556,663)	(5,269,512)
Increase in trade and other creditors	2,840,942	9,021,641
	<u>4,555,391</u>	<u>15,356,038</u>
Cash generated from operations	<u><u>4,555,391</u></u>	<u><u>15,356,038</u></u>

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2018

	31.12.18 £	1.1.18 £
Cash and cash equivalents	<u>9,133,408</u>	<u>14,366,542</u>

Year ended 31 December 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	<u>14,366,542</u>	<u>9,578,650</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Introduction

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year except where stated otherwise, is set out below.

2. Statutory information

GP Bullhound LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the British Pound Sterling (£), rounded to the nearest pound.

3. Accounting policies

Basis of preparing the financial statements

These financial statements are prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 as applied to LLP's by the Limited Liability partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

Significant judgements and estimates

In applying the firm's accounting policies, the members are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The members' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The critical judgement that the members have made in the process of applying the firm's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

(i) Assessing indicators and impairment

In assessing whether there have been any indicators or impairment of assets, the members have considered both external and internal sources of information such as market conditions, and experience or recoverability. There have been no indicators or impairments identified during the current financial year.

Key accounting estimates and assumptions

The firm makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(ii) Recoverability of receivables

The firm establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the members consider factors such as the aging of the receivables, past experience and recoverability, and the credit profile of customers.

(iii) Determining residual values and useful economic lives of property, plant and equipment

The firm depreciates tangible assets over their estimated useful lives. The estimation of the useful lives is based on historical performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the firm would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

3. Accounting policies - continued

Turnover

Turnover is measured at the fair value of amounts receivable for advisory services and from research services provided in the normal course of business. Revenue is recognised in line with accrual accounting based on fees received for services provided during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - Straight line over 2 years

Impairment of assets

At each reporting date the firm reviews the carrying value of its assets to determine whether there is any indication that these 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.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to profit or loss in administration expenses.

Financial instruments - classified as basic financial instruments

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost including the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the firm assesses whether there is objective evidence that a receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the firm will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised immediately in profit or loss.

(iii) Financial liabilities

Basic financial liabilities, including trade and other payables, loans and other borrowings are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

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 the undiscounted amount.

Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at that date the transaction took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Accounting policies - continued

Leasing

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Payments made under operating lease arrangements are charged to profit or loss on a straight line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The LLP contributes to individual employees' personal pension plans held separately from the firm. Contributions payable are charged to profit or loss in the period to which they relate.

Investments

Listed current asset investments are stated at market value, unlisted current asset investments are stated at the lower of cost and net realisable value.

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

Equity

Equity instruments are classified in accordance with the substance of contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the firm after deducting all of its liabilities.

Equity instruments issued by the firm are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Members' remuneration profit allocation

Members' remuneration and profit allocation are stipulated in the Partnership Agreement, where the profits of the partnership in respect of any financial year of the partnership shall be allocated amongst the members in such a manner and in such proportions as shall be determined by the Managing Member in its sole discretion.

Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the members have carefully considered these risks including an assessment on uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on assessment, the members consider that the firm maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations and external debt liabilities.

In addition, the firm's assets are assessed for recoverability on a regular basis, and the members consider that the firm is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The members have a reasonable expectation that the firm has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubts upon the firm's ability to continue as a going concern. Thus the members have continued to adopt the going concern basis of accounting in preparing these financial statements.

4. Employee information

There were no staff costs for the year ended 31 December 2018 nor for the year ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Operating profit

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Other operating leases - rent	400,263	362,673
Depreciation - owned assets	98,048	50,006
Auditors' remuneration	19,000	19,000
Foreign exchange differences	(143,812)	91,761
	<u> </u>	<u> </u>

6. Amounts written off investments

	2018	2017
	£	£
Loss on current investments	-	32,182
	<u> </u>	<u> </u>

7. Information in relation to members

	2018	2017
	£	£
Members' remuneration charged as an expense		
Partners' salaries	9,835,289	11,561,419
	<u> </u>	<u> </u>

	2018	2017
	£	£
The amount of profit attributable to the member with the largest entitlement was	7,143,289	8,877,100
	<u> </u>	<u> </u>

	2018	2017
The average number of members during the year was	5	5
	<u> </u>	<u> </u>

8. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2018	570,465
Additions	170,961
At 31 December 2018	<u>741,426</u>
Depreciation	
At 1 January 2018	557,898
Charge for year	98,048
At 31 December 2018	<u>655,946</u>
Net book value	
At 31 December 2018	<u>85,480</u>
At 31 December 2017	<u>12,567</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

9. Debtors: amounts falling due within one year

	2018	2017
	£	£
Trade debtors	249,704	330,009
Amounts owed by group undertakings	17,040,802	8,644,857
Other debtors	261,250	28,362
VAT	-	18,271
Prepayments and accrued income	161,152	134,746
	<u>17,712,908</u>	<u>9,156,245</u>

10. Current asset investments

	2018	2017
	£	£
Listed investments	6,944	202,996
Unlisted investments	3,318	23,218
	<u>10,262</u>	<u>226,214</u>

Market value of listed investments at 31 December 2018 - £6,944 (2017 - £355,427).

11. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	186,961	235,441
Amounts owed to group undertakings	22,297,651	19,404,888
VAT	132,753	-
Other creditors	-	147,343
Accruals and deferred income	277,385	266,136
	<u>22,894,750</u>	<u>20,053,808</u>

12. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	395,071	228,000
Between one and five years	957,213	684,000
	<u>1,352,284</u>	<u>912,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Financial instruments

Financial assets	2018 £	2017 £
Financial assets measured at fair value through profit or loss	6,944	202,996
Financial assets that are equity instruments measured at cost less impairment	3,318	23,218
Financial assets measured at amortised cost	<u>26,685,164</u>	<u>23,369,770</u>
 Financial liabilities	 2018 £	 2017 £
Financial liabilities measured at amortised cost	<u>22,761,997</u>	<u>20,053,808</u>

Financial assets measured at fair value through profit or loss comprise of current asset investments.

Financial assets that are equity instruments measured at cost less impairment comprise of current asset investments.

Financial assets measured at amortised cost comprise bank and cash, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and deferred income and amounts owed to group undertakings.

Information regarding the company's exposure to risks are included in the strategic report.

14. Loans and other debts due to members

	2018 £	2017 £
Amounts owed to members in respect of profits	<u>1,547,308</u>	<u>1,607,760</u>
Falling due within one year	<u>1,547,308</u>	<u>1,607,760</u>

15. Ultimate parent company

GP Bullhound Holdings Limited is regarded by the members as being the LLP's ultimate parent company.

GP Bullhound Holdings Limited prepares group financial statements and copies can be obtained from 52 Jermyn Street, London, SW1Y 6LX.

There is no controlling party.

16. Related party disclosures

The LLP has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.