Company registration no. 03505741

PERRY CAPITAL LIMITED
AND SUBSIDIARY UNDERTAKING

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

LINDEYER FRANCIS FERGUSON
CHARTERED ACCOUNTANTS

PERRY CAPITAL LIMITED AND SUBSIDIARY UNDERTAKING

COMPANY INFORMATION

Directors	R C Perry B Shanly (appointed 30 September 2016) J Nardini (appointed 30 September 2016)
Secretary	L Walsh
Company number	03505741
Registered office	7th Floor South Tower 26 Elmfield Road Bromley BR1 1LR
Auditors	Lindeyer Francis Ferguson Limited North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	National Westminster Bank plc PO Box 4QQ 19 Shaftesbury Avenue London W1A 4QQ

PERRY CAPITAL LIMITED AND SUBSIDIARY UNDERTAKING

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PERRY CAPITAL LIMITED AND SUBSIDIARY UNDERTAKING

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report and group financial statements for the year ended 31 December 2016.

Review of the business
The principal activities of the group were the provision of investment research and investment advisory services for a related company and investment management services for funds managed by related parties. The company is the holding company for its subsidiary, Perry Capital UK LLP.

2016 was another challenging year for the group. Turnover was down year on year from £4,133,281 to £2,729,826 as a result of continued lower fee income resulting from a combination of unsatisfactory investment returns and declining assets under management. Profits also declined from £1,840,569 to £1,031,946.

In late September, as a result of industry and market headwinds, the funds for which the group carried out investment management services decided to close and wind down. As a consequence the group has also made a decision to start a winding down process which will take place over the coming months. As part of this process on the 13th of December the limited liability partnership cancelled its permission with the FCA and deregistered.

By order of the board

L Walsh

Secretary

27 April 2017

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and consolidated financial statements for the year ended 31 December 2016.

Principal activities
The principal activities of the group were the provision of investment research and investment advisory services for a related company and investment management services for funds managed by related parties. The company is the holding company for its subsidiary, Perry Capital UK LLP.

Results and dividends
The results for the year are set out on page 6. A dividend of £228,000 was paid during the year (2015: £240,452).

Future Developments
In late September, as a result of industry and market headwinds, the funds for which the group carried out investment management services decided to close and wind down. As a consequence the group has also made a decision to start a winding down process which will take place over the coming months.

Directors and their interests
The following directors have held office since 1 January 2016:

R C Perry
R Borkenstein (resigned 30 September 2016)
B Shanly (appointed 30 September 2016)
J Nardini (appointed 30 September 2016)

Mr Perry is the sole shareholder of Perry Corp., which owns 40% of Perry Capital LLC which is the immediate parent company of Perry Capital Limited. Mr Borkenstein is an Associate Member of International Investment Management LLC, the ultimate holding company.

Financial risk management
The group has an established risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. Appropriate action is taken where risks are identified which fall outside of the firm's risk tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the firm's mitigating controls.

The group does not enter into any financial instruments except for occasional money market deposits and is not materially exposed to either price risk or interest rate cash flow risk.

The main credit risk to which the firm is exposed is in respect of its debtors. However, the primary debtor is the US parent with regards to fees and there has not been a history of bad debts, as such the counterparty credit risk is considered to be minimal. In relation to deposits with banks, consideration is made as to the credit worthiness of the financial institution to which monies are placed and again credit risk is considered to be minimal.

The group has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this. The cash position of the firm is monitored by senior management on a monthly basis.

Directors' responsibilities
The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

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

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

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

Statement of disclosure to auditor
a) So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors
In accordance with the company's articles, a resolution proposing that Lindeyer Francis Ferguson Limited be reappointed as auditors of the company will be put at a General Meeting.

By order of the board
M Walsh
M Walsh
Secretary

27 April 2017

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PERRY CAPITAL LIMITED

We have audited the financial statements of Perry Capital Limited and its subsidiary undertaking for the year ended 31 December 2016 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of the group's 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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PERRY CAPITAL LIMITED

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lindeyer Francis Ferguson

Samantha Wells FCA
For and on behalf of Lindeyer Francis Ferguson Limited
Chartered Accountants
Statutory Auditor

27 April 2017

North House
198 High Street
Tonbridge
Kent
TN9 1BE

PERRY CAPITAL LIMITED AND SUBSIDIARY UNDERTAKING

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	2,729,826	4,133,281
Administrative expenses		(1,704,141)	(2,299,270)
Operating profit	4	1,025,685	1,834,011
Interest receivable	5	6,261	6,571
Interest payable		-	(13)
Profit on ordinary activities before taxation		1,031,946	1,840,569
Tax on profit on ordinary activities	6	(53,909)	(69,539)
Profit after tax and total comprehensive income for the year		978,037	1,771,030
Profit and total comprehensive income attributable to:			
Minority interest		(929,098)	(1,553,866)
Owners of parent		48,939	217,164

PERRY CAPITAL LIMITED AND SUBSIDIARY UNDERTAKING

BALANCE SHEETS
AS AT 31 DECEMBER 2016

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Fixed assets					
Tangible fixed assets	8	15,731	29,039	-	-
Other fixed assets	9	131,096	131,096	2,607,420	2,607,420
		146,827	160,135	2,607,420	2,607,420
Current assets					
Debtors	11	1,914,867	2,819,488	20,280	54,451
Cash at bank and in hand		1,821,147	2,547,290	53,618	52,964
		3,736,014	5,366,778	73,898	107,415
Creditors: amounts falling due within one year	12	(176,510)	(1,015,368)	(18,841)	(55,188)
Net current assets		3,559,504	4,351,410	55,057	52,227
Total assets less current liabilities		3,706,331	4,511,545	2,662,477	2,659,647
Creditors: amounts falling due on more than one year	13	-	(1,385)	-	-
Net assets		3,706,331	4,510,160	2,662,477	2,659,647
Capital and reserves					
Share capital	16	1,021,000	1,021,000	1,021,000	1,021,000
Profit and loss account	17	2,675,331	3,479,160	1,641,477	1,638,647
Minority Interest		10,000	10,000	-	-
Shareholders' funds - equity interests	18	3,706,331	4,510,160	2,662,477	2,659,647

The financial statements were approved by the Board on 27 April 2017

B Shanly
Director

Company registration no. 03505741

PERRY CAPITAL LIMITED AND SUBSIDIARY UNDERTAKING

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Profit and loss reserves	Total equity	Minority interest	Total
	£	£	£	£	£
Balance at 1 January 2015	1,021,000	2,655,183	3,676,183	5,100	3,681,283
Period ended 31 December 2015:					
Comprehensive income for the year	-	1,771,030	1,771,030	-	1,771,030
Dividends	-	(240,452)	(240,452)	-	(240,452)
Discretionary minority interest profit allocation	-	(706,601)	(706,601)	706,601	-
Total comprehensive income for the year	1,021,000	3,479,160	4,500,160	711,701	5,211,861
Discretionary minority interest profit allocation paid	-	-	-	(706,601)	(706,601)
Capital received from minority interests	-	-	-	5,000	5,000
Capital repaid to minority	-	-	-	(100)	(100)
Balance at 31 December 2015	1,021,000	3,479,160	4,500,160	10,000	4,510,160
Period ended 31 December 2016:					
Profit and total comprehensive income for the year	-	978,037	978,037	-	978,037
Dividends	-	(228,000)	(228,000)	-	(228,000)
Discretionary minority interest profit allocation	-	(1,553,866)	(1,553,866)	1,553,866	-
Total comprehensive income for the year	1,021,000	2,675,331	3,696,331	1,563,866	5,260,197
Discretionary minority interest profit allocation paid	-	-	-	(1,553,866)	(1,553,866)
Capital received from minority interests	-	-	-	-	-
Capital repaid to minority	-	-	-	-	-
Balance at 31 December 2016	1,021,000	2,675,331	3,696,331	10,000	3,706,331

PERRY CAPITAL LIMITED AND SUBSIDIARY UNDERTAKING

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2015	1,021,000	1,604,005	2,625,005
Period ended 31 December 2015			
Profit and total comprehensive income for the year	-	275,094	275,094
Dividends	-	(240,452)	(240,452)
Balance at 31 December 2015	1,021,000	1,638,647	2,659,647
Period ended 31 December 2016			
Profit and total comprehensive income for the year	-	230,830	230,830
Dividends	-	(228,000)	(228,000)
Balance at 31 December 2016	1,021,000	1,641,477	2,662,477

PERRY CAPITAL LIMITED AND SUBSIDIARY UNDERTAKING

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Cash generated from operations	**25**		1,515,011		1,387,543
Income taxes paid			(54,659)		(67,126)
Interest paid			-		(13)
Cash flows from operating activities			1,460,352		1,320,404
Investing activities					
Payments to acquire fixed assets investments		(330)		(4,840)	
Interest received		6,261		6,571	
Net cash generated from investing activities			5,931		1,731
Financing activities					
Capital introduced by members (classified as debt or equity)		-		5,000	
Repayment of capital or debt to members		-		(100)	
Payments to members that represent a return on amounts subscribed or otherwise contributed		(1,964,426)		(1,025,893)	
Dividends paid		(228,000)		(240,452)	
Net cash used in financing activities			(2,192,426)		(1,261,445)
Net decrease in cash and cash equivalents			(726,143)		60,690
Cash and cash equivalents at beginning of year			2,547,290		2,486,600
Cash and cash equivalents at end of year			1,821,147		2,547,290

1 Accounting policies

1.1 Company information

Perry Capital Limited ("the Company") is a company limited by shares, domiciled and incorporated in England and Wales. The registered office is 5th Floor, 4 Grosvenor Place, London, SW1X 7HJ.

The Group consists of Perry Capital Limited and Perry Capital UK LLP.

1.2 Accounting convention

These financial statements have been prepared in accordance 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 company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Basis of consolidation

The consolidated financial statements incorporate those of Perry Capital Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 December 2015.

FRS 102 requires the exclusion of a subsidiary from consolidation if severe long term restrictions substantially hinder the exercise of the parent undertaking's rights over the subsidiary undertaking's assets or management. The directors believe that no such restrictions exist.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

1.4 Going concern

For the reasons noted in the Director' report the limited liability partnership is in the process of winding down.

At the time of approving the financial statements, the directors have a reasonable expectation that the limited liability partnership has adequate resources to meet its liabilities as they fall due. Thus the directors continue to adopt the going concern basis of accounting in preparing the group's financial statements.

1.5 Turnover

Turnover is attributable to two activities: the provision of investment advisory services; and the provision of investment management services. Fees are recognised once receivable.

The total turnover of the group for the past year has been derived from the principal activities wholly undertaken in the United Kingdom, comprising services supplied to group companies based in the United States of America.

1.6 Fixed asset investments

In the parent company financial statements investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

At each reporting end date, the group reviews the carrying amounts of its tangible and other fixed 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 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:

Leasehold improvements	Until the first break clause in the lease in force at the time of acquisition
Office furniture	25% per annum on the reducing balance
Fixtures, fittings and equipment	Over 3-4 years on cost
Works of art	Over 30 years on cost (see note 9)

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.

Works of art which were previously classified as fixed asset investments are now disclosed as other fixed assets to comply with FRS102. The reclassification has had no effect on the results of Perry Capital UK LLP

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The group 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 group's statement of financial position when the group 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 trade and other receivables 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.

1.9 Financial instruments - continued

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 publically 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 profit or loss.

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group 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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation 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 reporting end date, taking into account the risks and uncertainties surrounding the obligation

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision in measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.13 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Leases

Perry Capital UK LLP entered into a new lease agreement during the year ended 31 December 2011 on the existing and additional office accommodation. The terms of the original lease were varied and an additional period of reduced rent for the original offices as well as for the new office space was provided in the new lease as an incentive to take on the lease. The value of this incentive is being allocated to the profit and loss account over the term of the lease to the first break clause in force when the lease was signed.

1.15 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.

1.16 Retirement benefits

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors 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 and other revenue

	2016	2015
	£	£
An analysis of the company's turnover is as follows:		
Turnover		
Fees receivable	2,729,826	4,133,281
Other significant revenue		
Interest income	6,261	6,571
Turnover analysed by geographical market		
United States of America	2,729,826	4,133,281

4 Operating profit

	2016	2015
Operating profit is stated after charging (crediting):	£	£
Depreciation of tangible assets	13,638	17,832
Exchange (gains) / losses	19,459	(52,348)
Operating lease rentals	191,840	130,739
Auditor's remuneration for audit services	17,340	18,850
Auditor's remuneration for accounting services	25,260	28,600

5 Interest receivable

	2016 £	2015 £
Bank interest received	6,124	6,446
Other interest receivable	137	125
	6,261	6,571

6 Taxation

	2016 £	2015 £
Domestic current year tax		
U.K. corporation tax	19,703	54,462
Adjustments in respect of prior periods	(190)	6,169
Current tax charge	19,513	60,631
Deferred tax		
Deferred tax charge / (credit) for the year	34,396	8,908
Tax on profit on ordinary activities	53,909	69,539
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation less profits allocated to members of the LLP	102,848	286,703
Profit on ordinary activities before taxation multiplied by standard rates of UK corporation tax of 20% (2015: 20%)	20,570	57,341
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	9,630	9,036
Capital allowances	(3,872)	(4,658)
Origination and reversal of timing differences	(6,625)	(7,919)
Adjustments in respect of prior periods	(190)	6,169
Effect of change in corporation tax rate	-	662
	(1,057)	3,290
Current tax charge	19,513	60,631

7 Profit for the financial year

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2016 £	2015 £
Holding company's profit for the financial year	230,830	275,094

8 Tangible fixed assets

Group	Leasehold improvements £	Office furniture £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2016	208,551	150,371	174,203	533,125
Additions	-	330	-	330
At 31 December 2016	208,551	150,701	174,203	533,455
Depreciation				
At 1 January 2016	204,946	136,088	163,052	504,086
Charge for the year	1,236	3,648	8,754	13,638
At 31 December 2016	206,182	139,736	171,806	517,724
Net book value				
At 31 December 2016	2,369	10,965	2,397	15,731
At 31 December 2015	3,605	14,283	11,151	29,039

The company has no tangible fixed assets.

9 Other fixed assets

Group	Works of Art £	Total £
Cost		
At 1 January 2016 and at 31 December 2016	131,096	131,096

Other fixed assets not carried at market value
The directors are of the opinion that the market value of the works of art held by the group remains equivalent to the original purchase prices with no significant increase or reduction in values. Accordingly whilst stated at cost this is deemed to be the current market value.

Company Fixed asset investments	Perry Capital UK LLP £	Total £
Cost		
At 1 January 2016 and at 31 December 2016	2,607,420	2,607,420

The addition shown above represents capital subscriptions to Perry Capital UK LLP, a subsidiary undertaking.

10 Financial Instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,791,769	2,638,622	2,607,645	2,607,420
Carrying amount of financial liabilities				
Measured at amortised cost	155,517	943,498	-	1,202

11 Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts owed by associated undertakings	1,759,993	2,612,990	-	-
Other debtors	53,670	53,908	225	-
Prepayments and accrued income	81,149	98,139	-	-
Deferred tax asset (note 14)	20,055	54,451	20,055	54,451
	1,914,867	2,819,488	20,280	54,451

12 Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	45,550	51,557	-	-
Other taxes and social security costs	2,152	19,269	-	-
Corporation tax payable	18,841	53,986	18,841	53,986
Accruals and deferred income	109,967	890,556	-	1,202
	176,510	1,015,368	18,841	55,188

13 Creditors: amounts falling due in more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Deferred income	-	1,385	-	-

The amounts shown above relate to contributions received from customers for the purchase and use of computer and office equipment. The contributions are taken to the profit and loss account over the useful life of the assets involved. Included in current liabilities is an amount of £1,385 (2015: £5,003) which falls due within one year.

14 Provisions for liabilities

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
The deferred tax asset is made up as follows:				
At 1 January 2016	(54,451)	(63,359)	(54,451)	(63,359)
Profit and loss account	34,396	8,908	34,396	8,908
At 31 December 2016	(20,055)	(54,451)	(20,055)	(54,451)
Other timing differences	(20,055)	(54,451)	(20,055)	(54,451)

15 Pension contributions

Defined contribution

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Contributions payable by the group for the year	46,260	103,706	-	-
Accrued contributions unpaid at the year end	21,182	54,390	-	-

16 Share capital

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Allotted, called up and fully paid				
1,021,000 Ordinary shares of £1 each	1,021,000	1,021,000	1,021,000	1,021,000

The company has one class of ordinary shares which carry no right to fixed income.

17 Statement of movements on profit and loss account

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Profit and loss account				
Balance at 1 January 2016	3,479,160	2,655,183	1,638,647	1,604,005
Retained profit for the year	978,037	1,771,030	230,830	275,094
Allocation of profits to minority interests	(1,553,866)	(706,601)	-	-
Dividends	(228,000)	(240,452)	(228,000)	(240,452)
Balance at 31 December 2016	2,675,331	3,479,160	1,641,477	1,638,647

18 Reconciliation of movements in shareholders' funds

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Profit for the financial year	978,037	1,771,030	230,830	275,094
Allocation of prior year profits to minority interests	(1,553,866)	(706,601)	-	-
Dividends	(228,000)	(240,452)	(228,000)	(240,452)
Net (depletion of) / addition to shareholders' funds	(803,829)	823,977	2,830	34,642
Opening shareholders' funds	4,510,160	3,686,183	2,659,647	2,625,005
Closing shareholders' funds	3,706,331	4,510,160	2,662,477	2,659,647

19 Financial commitments

At 31 December 2016 the group had annual commitments under non-cancellable operating leases as follows:

Land and buildings	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Expiry date:				
Within one year	39,500	158,000	-	-
Between two and five years	-	316,000	-	-
	39,500	474,000	-	-

20 Directors' emoluments

No directors emoluments were paid during the year.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil (2015 - nil).

No guarantees have been given or received

21 Employees

The average monthly number of employees (including directors and members) during the year was:

	Group		Company	
Number of employees	**2016**	**2015**	**2016**	**2015**
Directors	2	2	2	2
Research and analysts	2	3	-	-
Trading	-	1	-	-
Administration	2	3	-	-
	6	9	2	2

Employment costs	**£**	**£**	**£**	**£**
Wages and salaries	1,008,768	1,531,530	-	-
Social security costs	37,602	143,745	-	-
Other pension costs	46,260	103,706	-	-
	1,092,630	1,778,981	-	-

Remuneration of key management personnel
There were no key management personnel apart from the members of Perry Capital UK LLP, none of which are directors.

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Profit attributable to the member of Perry Capital UK LLP with the highest entitlement	783,448	977,047	-	-
Remuneration under participation rights	410,560	319,292	-	-

22 Control

The company is a wholly owned subsidiary of Perry Capital LLC, a company registered in the USA. The ultimate holding company is International Investment Management LLC, a company registered in the State of Delaware, USA. The ultimate controlling party is Richard C Perry.

23 Related party transactions

During the year the company and its subsidiary undertaking charged Perry Capital LLC, the immediate parent company, for investment advisory and management services amounting to £2,724,824 (2015: £4,125,864).

At the balance sheet date the net amount receivable from Perry Capital LLC was £1,759,993 (2015: £2,612,990).

During the year Perry Capital UK LLP incurred costs on behalf of the funds managed by the Perry Group. The total amount of the costs incurred and recovered from the funds was £284,889 (2015: £453,373).

At the balance sheet date the amount receivable from the funds was £21,454 (2015: £26,916).

24 Post balance sheet events

Since the year end, Perry Capital UK LLP made a discretionary allocation of profits to its members amounting to £1,033,854 (2015, in respect of the year ended 31 December 2015: £1,840,513).

The profit allocated to Perry Capital Limited amounted to £104,756 (2015: £286,647).

25 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2016	2015
	£	£
Operating profit	1,025,685	1,834,011
Depreciation of tangible assets	13,638	17,832
Members' expense	410,560	319,292
Decrease in debtors	870,226	117,741
Decrease in creditors within one year	(803,713)	(896,695)
Decrease in creditors due after more than one year	(1,385)	(4,638)
Net cash inflow from operating activities	1,515,011	1,387,543