

ABERFORTH PARTNERS LLP

Report & Consolidated Financial Statements

For the year ended 30 April 2017



Registered No. OC313353
Registered in England and Wales

ABERFORTH PARTNERS LLP MEMBERS' REPORT

The members present their report and the audited consolidated financial statements of Aberforth Partners LLP ("the firm") and all its subsidiary undertakings (collectively "the group") for the year ended 30 April 2017.

Principal activity

The principal activity of the group is the provision of investment management services in the UK. The firm is authorised and regulated by the Financial Conduct Authority (FCA).

Aberforth Partners LLP was formed on 21 May 2005. On 1 December 2005, the business previously carried on by Aberforth Partners, a partnership with unlimited liability under Scots Law, was transferred to Aberforth Partners LLP.

These are the twelfth statutory financial statements for the group and reflect the results for the year ended 30 April 2017. The comparative figures represent the results of the business for the year ended 30 April 2016.

Designated members

The designated members during the period were as follows:

Euan R. Macdonald
Keith F. Muir
Richard M.J. Newbery
W. Alan Waite
Alistair J. Whyte

Peter R. Shaw and Christopher N. Watt were appointed as designated members on 1 May 2017.

Transactions with members

The members participate fully in the firm's profit, share the risks and subscribe the firm's capital.

An individual member's capital requirement is linked to his share of profit and the financing requirements of the firm. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so retiring members are repaid their capital at "par". No capital may be returned to a retiring member unless and until a corresponding sum has been contributed to the firm by the remaining or new members.

The firm's drawings policy allows each member to draw a proportion of their profit share monthly with the balance of their profits paid after the year end. All payments are made subject to the cash requirements of the business.

ABERFORTH PARTNERS LLP MEMBERS' REPORT (Cont)
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Statement of members' responsibilities in respect of the financial statements

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the group and parent partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied 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 group and the partnership and of the profit or loss of the group 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 partnership and group will continue in business.

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

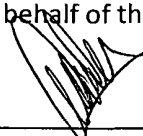
Disclosure of information to auditors

So far as the members are aware, there is no relevant audit information of which Aberforth Partners LLP's auditors are unaware; and the members have taken all the steps that ought to have been taken as a member in order to make themselves aware of any relevant audit information and to establish that Aberforth Partners LLP's auditors are aware of that information.

Further information

Further information on Aberforth Partners LLP, including relevant disclosures under Pillar 3 of the FCA's capital adequacy rules, can be found on the firm's website at: www.aberforth.co.uk

On behalf of the members



W. Alan Waite, Designated Member, 9 June 2017

ABERFORTH PARTNERS LLP INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERFORTH PARTNERS LLP
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Report on the financial statements

Our opinion

In our opinion, Aberforth Partners LLP's group financial statements and limited liability partnership financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 30 April 2017 and of the group's result and cash flows 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Consolidated Balance Sheet and LLP Balance Sheet as at 30 April 2017;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and applicable law.

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

ABERFORTH PARTNERS LLP
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERFORTH
PARTNERS LLP (Cont)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the 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.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with 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 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Lindsay Gardiner (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
9 June 2017

ABERFORTH PARTNERS LLP
CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 April 2017

	Note	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Fee income	2	15,666	15,442
Operating expenses		(4,405)	(3,671)
Operating profit	3	11,261	11,771
Net finance income	4	4	7
Profit on ordinary activities before taxation		11,265	11,778
Tax on profit on ordinary activities	6	(3)	(2)
Profit for the financial year before members' remuneration and profit shares		11,262	11,776
Members' remuneration charged as an expense		(11,262)	(11,776)
Result for the financial year available for discretionary division among members		-	-

The Group has no recognised gains and losses other than the profit above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

All results derive from continuing operations.

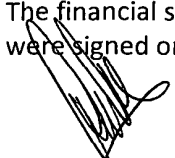
The statements above relate to both the year ended 30 April 2017 and also the year ended 30 April 2016.

The notes on Pages 8 to 14 form part of these financial statements.

ABERFORTH PARTNERS LLP
CONSOLIDATED BALANCE SHEET AND LLP BALANCE SHEET
30 April 2017

As at 30 April:	Note	Group		LLP	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
Fixed assets					
Tangible assets	7	116	103	116	103
Investments	8	-	-	10	10
Total fixed assets		116	103	126	113
Current assets					
Debtors	9	2,427	2,029	810	577
Cash at bank and in hand		3,999	3,954	3,677	3,661
		6,426	5,983	4,487	4,238
Creditors: amounts falling due within one year	10	(4,298)	(3,806)	(2,649)	(2,338)
Net current assets		2,128	2,177	1,838	1,900
TOTAL ASSETS LESS CURRENT LIABILITIES		2,244	2,280	1,964	2,013
NET ASSETS ATTRIBUTABLE TO MEMBERS		2,244	2,280	1,964	2,013
REPRESENTED BY:					
Loans and other debts due to members within one year		444	480	164	213
Members' other interests					
Members' capital classified as equity		1,800	1,800	1,800	1,800
	13	2,244	2,280	1,964	2,013
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members		444	480	164	213
Members' other interests		1,800	1,800	1,800	1,800
	13	2,244	2,280	1,964	2,013

The financial statements on pages 5 to 14 were approved by the members on 9 June 2017 and were signed on behalf of the firm by:


W. Alan Waite, Designated Member
9 June 2017

Reg'd no. OC313353

The notes on Pages 8 to 14 form part of these financial statements.

ABERFORTH PARTNERS LLP
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 April 2017

	Note	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
CASH FLOW STATEMENT			
Net cash inflow from operating activities	11	11,418	12,018
Taxation paid		(2)	(12)
Net cash generated from operating activities		11,416	12,006
Cash flow from investing activities			
Capital expenditure & financial investment	12	(77)	(24)
Interest received		4	7
Net cash used in investing activities		(73)	(17)
Cash flow from financing activities			
Transactions with members and former members	12	(11,298)	(11,691)
Net increase in cash and cash equivalents		45	298
Cash and cash equivalents at start of year		3,954	3,656
Cash and cash equivalents at end of year		3,999	3,954
Cash and cash equivalents consists of:			
Cash at bank and in hand		3,999	3,954

The notes on Pages 8 to 14 form part of these financial statements.

ABERFORTH PARTNERS LLP NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2017

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year and the preceding period.

Basis of preparation and accounting convention

The consolidated accounts include the financial statements of Aberforth Partners LLP and all its subsidiary undertakings. No profit and loss is presented for Aberforth Partners LLP as permitted by section 408 of the Companies Act 2006. The financial statements are prepared under the historical cost convention, on a going concern basis, and in accordance with applicable accounting standards in the United Kingdom including Financial Reporting Standard 102 ("FRS 102"), the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", and the Companies Act 2006 as applied to limited liability partnerships.

The Partnership is not subject to regulatory consolidated capital requirements.

Revenue

Revenue from the provision of asset management services is recognised as the services are provided. Performance fees are recognised when the right to receive payment is established.

Taxation

The taxation payable on profits of the Limited Liability Partnership is the personal liability of the members and is not dealt with in these financial statements. The tax expense represents that incurred by corporate subsidiaries.

Fixed Assets

Provision is made for the depreciation of fixed assets in order to write off the cost of the assets over their expected useful lives. An annual depreciation rate of 25% is used for Fixtures and Fittings, Computer Equipment, and Telephone Equipment.

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Investments

The investment in subsidiary undertakings is carried at cost less any provision for permanent diminution in value.

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2017

2. FEE INCOME

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Investment management (including performance fees)	15,585	15,363
Secretarial services	81	79
	15,666	15,442

3. OPERATING PROFIT

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Operating profit is stated after charging:		
Auditors' remuneration:		
Audit services – LLP	13	13
Audit services – subsidiaries	9	12
Tax compliance	4	7
Tax advisory	-	2
Other services – assurance related	72	49
Depreciation on tangible fixed assets	64	57

4. NET FINANCE INCOME

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Interest on bank deposits	4	7
	4	7

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2017

5. STAFF NUMBERS AND COSTS

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Staff costs include the following:		
Wages and salaries	2,197	1,684
Social security costs	291	216
Pension costs	122	169
	2,610	2,069

The monthly average number of staff employed by the LLP (excluding members) during the year was 15 (2016: 12).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge, which arises in the corporate entities included within these financial statements, comprises:

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Current year tax charge	3	2
	3	2

The tax expense at the standard rate can be reconciled to the actual tax charge as follows:

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Profit on ordinary activities before taxation and members' remuneration	11,265	11,778
Tax at the UK corporation tax rate of 19.9% (2016: 20%)	2,244	2,356
Adjustment for profits of limited liability partnership	(2,241)	(2,354)
Tax expense in corporate subsidiaries	3	2

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2017

7. TANGIBLE ASSETS

	Computer Equipment £'000	Telephone Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost				
As at 1/5/2016	162	19	146	327
Additions	36	27	14	77
Disposals	(16)	(19)	(33)	(68)
As at 30/4/2017	182	27	127	336
Accumulated Depreciation				
As at 1/5/2016	105	19	100	224
Disposals	(16)	(19)	(33)	(68)
Charge for Period	37	4	23	64
As at 30/4/2017	126	4	90	220
NET BOOK VALUE 30/4/2017	56	23	37	116
NET BOOK VALUE 30/4/2016	57	-	46	103

8. INVESTMENTS

Limited liability partnership

	As at 30 April 2017 £'000	As at 30 April 2016 £'000
Subsidiary undertakings	10	10

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2017

8. INVESTMENTS (Cont)

Details of the subsidiary investments in which the Limited Liability Partnership holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertakings (all registered in UK)	Holding	Proportion of voting rights and shares held	Nature of business
Aberforth Unit Trust Managers Limited	Ordinary shares	100%	Unit trust management
Aberforth LGP IA Limited ¹	Ordinary shares	100%	General Partner
Aberforth LGP IB Limited ¹	Ordinary shares	100%	General Partner

¹ Dormant

9. DEBTORS

As at 30 April:	Group		LLP	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts receivable in connection with unit dealing	1,602	1,443	-	-
Amounts owed by group undertakings	-	-	134	84
Accrued income	541	376	392	283
Prepayments	272	205	272	205
Other debtors	12	5	12	5
	2,427	2,029	810	577

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2017

10. CREDITORS: amounts falling due within one year

As at 30 April:	Group		LLP	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	96	90	96	90
Amounts payable in connection with unit dealing	1,603	1,440	-	-
Taxation and social security	129	226	129	226
Other creditors	140	122	94	94
Accruals and deferred income	2,330	1,928	2,330	1,928
	4,298	3,806	2,649	2,338

11. RECONCILIATION OF OPERATING PROFITS TO OPERATING CASH FLOWS

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Operating profit	11,261	11,771
Depreciation charge	64	57
Profit on disposal of tangible fixed assets	-	-
(Increase) in debtors	(398)	(51)
Increase in creditors	491	241
	11,418	12,018

12. ANALYSIS OF CASH FLOWS

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(77)	(24)
Sale of tangible fixed assets	-	-
	(77)	(24)
Transactions with members and former members		
Payments to members	(11,298)	(12,065)
Contributions by members	-	374
	(11,298)	(11,691)

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2017

13. MEMBERS' INTERESTS

	Members' Other Interests: Members' Capital (Classified as equity)		Loans and other debts due to members less any amounts due from members in debtors		Total	
	Group £'000	LLP £'000	Group £'000	LLP £'000	Group £'000	LLP £'000
Amounts due to members			480	213		
Balance at 1 May 2016	1,800	1,800	480	213	2,280	2,013
Members' remuneration charged as an expense	-	-	11,262	11,249	11,262	11,249
Members' interests after profit for the financial year	1,800	1,800	11,742	11,462	13,542	13,262
Introduced by members	-	-	-	-	-	-
Repayments of capital	-	-	-	-	-	-
Drawings	-	-	(11,298)	(11,298)	(11,298)	(11,298)
Amounts due to members			444	164		
Balance at 30 April 2017	1,800	1,800	444	164	2,244	1,964

The average number of members during the year was 5 (2016: 6). The profit allocation to the member with the largest entitlement was £2,644,000 (2016: £2,492,000).

The members of the partnership are considered to be related parties as defined by Financial Reporting Standard No. 8. Transactions with members during the year are disclosed above.