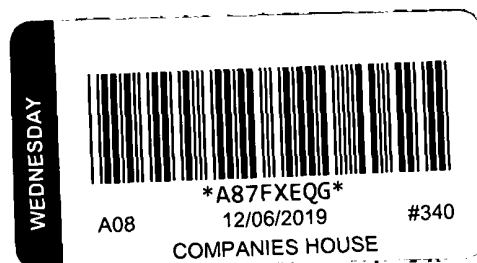


ABERFORTH PARTNERS LLP

Report & Consolidated Financial Statements

For the year ended 30 April 2019



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" or "LLP") and all its subsidiary undertakings (collectively the "Group") for the year ended 30 April 2019.

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 fourteenth statutory financial statements for the Group and reflect the results for the year ended 30 April 2019. The comparative figures represent the results of the Group for the year ended 30 April 2018.

The registered office of Aberforth Partners LLP is at Level-13, Broadgate Tower, 20 Primrose Street, London, EC2A 2EW. Its principal place of business is at 14 Melville Street, Edinburgh, EH3 7NS.

Designated members

The designated members during the year were as follows:

Euan R. Macdonald
Keith F. Muir
Richard M.J. Newbery
Peter R. Shaw
W. Alan Waite
Christopher N. Watt
Alistair J. Whyte

Mr Newbery retired as a member on 30 April 2019.

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)

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, 10 June 2019

ABERFORTH PARTNERS LLP INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERFORTH PARTNERS LLP
--

Report on the audit of the financial statements

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 2019 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included within the Report & Consolidated Financial Statements (the "Annual Report"), which comprise: the consolidated balance sheet and LLP balance sheet as at 30 April 2019; the consolidated profit and loss account and the consolidated cash flow statement; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 group's and limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and limited liability partnership's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the partnership's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of members' responsibilities in respect of the financial statements set out on page 2, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a

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

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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.



Gillian Alexander (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

10 June 2019

ABERFORTH PARTNERS LLP
CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 April 2019

	Note	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Fee income	2	15,989	18,345
Operating expenses		(3,856)	(3,761)
Operating profit	3	12,133	14,584
Finance income	4	2	2
Profit on ordinary activities before taxation		12,135	14,586
Tax on profit on ordinary activities	6	-	(13)
Profit for the financial year before members' remuneration and profit shares		12,135	14,573
Members' remuneration charged as an expense		(12,135)	(14,573)
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 2019 and also the year ended 30 April 2018.

The notes on Pages 9 to 16 form part of these financial statements.

ABERFORTH PARTNERS LLP
CONSOLIDATED BALANCE SHEET AND LLP BALANCE SHEET
30 April 2019

As at 30 April:	Note	Group		LLP	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed assets					
Tangible assets	7	122	142	122	142
Investments	8	-	-	10	10
Total fixed assets		122	142	132	152
Current assets					
Debtors	9	2,682	1,968	1,033	983
Cash at bank and in hand		3,401	3,678	3,033	3,324
		6,083	5,646	4,066	4,307
Creditors: amounts falling due within one year	10	(3,908)	(3,447)	(2,231)	(2,453)
Net current assets		2,175	2,199	1,835	1,854
TOTAL ASSETS LESS CURRENT LIABILITIES		2,297	2,341	1,967	2,006
NET ASSETS ATTRIBUTABLE TO MEMBERS		2,297	2,341	1,967	2,006
REPRESENTED BY:					
Loans and other debts due to members within one year		497	541	167	206
Members' other interests					
Members' capital classified as equity		1,800	1,800	1,800	1,800
	14	2,297	2,341	1,967	2,006
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members		497	541	167	206
Members' other interests		1,800	1,800	1,800	1,800
	14	2,297	2,341	1,967	2,006

The financial statements on pages 6 to 16 were approved by the members on 10 June 2019 and were signed on behalf of the firm by:


W. Alan Waite, Designated Member
10 June 2019

Reg'd no. 0C313353

The notes on Pages 9 to 16 form part of these financial statements.

ABERFORTH PARTNERS LLP
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 April 2019

	Note	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
CASH FLOW STATEMENT			
Net cash inflow from operating activities	11	11,950	14,249
Taxation paid		(13)	(3)
Net cash generated from operating activities		11,937	14,246
Cash flow from investing activities			
Capital expenditure & financial investment	12	(37)	(93)
Interest received		2	2
Net cash used in investing activities		(35)	(91)
Cash flow from financing activities			
Transactions with members and former members	12	(12,179)	(14,476)
Net (decrease)/ increase in cash and cash equivalents		(277)	(321)
Cash and cash equivalents at start of year		3,678	3,999
Cash and cash equivalents at end of year		3,401	3,678
Cash and cash equivalents consists of:			
Cash at bank and in hand		3,401	3,678

The notes on Pages 9 to 16 form part of these financial statements.

ABERFORTH PARTNERS LLP NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2019

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 year.

Basis of preparation and accounting convention

The consolidated financial statements 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 LLP is not subject to consolidated regulatory 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 LLP 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 stated at cost less accumulated impairment. The carrying value is assessed at each balance sheet date and any estimated impairment is charged to the profit and loss account.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2019

2. FEE INCOME

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Investment management (including performance fees)	15,902	18,262
Profit on dealing in units	1	-
Secretarial services	86	83
	15,989	18,345

3. OPERATING PROFIT

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Operating profit is stated after charging:		
Auditors' remuneration:		
Audit services – LLP	14	13
Audit services – subsidiaries	10	10
Non audit services - tax compliance	7	7
Other non audit services – assurance related	63	61
Depreciation on tangible fixed assets	57	67
Operating lease expense	68	68

4. FINANCE INCOME

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Interest on bank deposits	2	2
	2	2

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2019

5. STAFF NUMBERS AND COSTS

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Staff costs include the following:		
Wages and salaries	1,496	1,411
Social security costs	195	182
Pension costs	134	84
	1,825	1,677

The monthly average number of staff employed by the LLP (excluding members) during the year was 13 (2018: 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 2019 £'000	Year ended 30 April 2018 £'000
Current year tax charge	-	13
	-	13

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

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Profit on ordinary activities before taxation and members' remuneration	12,135	14,586
Tax at the UK corporation tax rate of 19% (2018: 19%)	2,306	2,771
Effect of deferred tax asset not recognised	1	-
Adjustment for profits of limited liability partnership	(2,307)	(2,758)
Tax expense in corporate subsidiaries	-	13

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2019

7. TANGIBLE ASSETS

Group and LLP

	Computer Equipment £'000	Telephone Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost				
As at 1/5/2018	172	43	130	345
Additions	26	3	8	37
Disposals	(27)	-	-	(27)
As at 30/4/2019	171	46	138	355
Accumulated Depreciation				
As at 1/5/2018	82	11	110	203
Disposals	(27)	-	-	(27)
Charge for year	36	12	9	57
As at 30/4/2019	91	23	119	233
NET BOOK VALUE 30/4/2019	80	23	19	122
NET BOOK VALUE 30/4/2018	90	32	20	142

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2019

8. INVESTMENTS

LLP

	As at 30 April 2019 £'000	As at 30 April 2018 £'000
Subsidiary undertakings	10	10

Details of the subsidiary investments in which the LLP 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

All subsidiary undertakings listed above have their registered office at 14 Melville Street, Edinburgh, EH3 7NS.

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2019

9. DEBTORS

As at 30 April:	Group		LLP	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts receivable in connection with unit dealing	1,638	970	-	-
Amounts owed by group undertakings	-	-	99	134
Accrued income	715	697	605	548
Prepayments	327	278	327	278
Other debtors	2	23	2	23
	2,682	1,968	1,033	983

10. CREDITORS: amounts falling due within one year

As at 30 April:	Group		LLP	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade creditors	48	109	48	109
Amounts payable in connection with unit dealing	1,638	944	-	-
Taxation and social security	143	162	143	162
Other creditors	153	144	114	94
Accruals and deferred income	1,926	2,088	1,926	2,088
	3,908	3,447	2,231	2,453

11. RECONCILIATION OF OPERATING PROFITS TO OPERATING CASH FLOWS

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Operating profit	12,133	14,584
Depreciation charge	57	67
Decrease/ (increase) in debtors	(714)	459
(Decrease)/ increase in creditors	474	(861)
	11,950	14,249

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2019

12. ANALYSIS OF CASH FLOWS

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(37)	(93)
	(37)	(93)
Transactions with members and former members		
Payments to members	(12,179)	(14,476)
	(12,179)	(14,476)

13. CAPITAL AND OTHER COMMITMENTS

As at 30 April:	Group		LLP	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Minimum lease payments under non-cancellable operating leases falling due:				
- Not later than 1 year	69	68	69	68
- Later than 1 year and not later than 5 years	173	236	173	236
- Later than 5 years	-	-	-	-

There were no other off balance sheet arrangements at 30 April 2019.

ABERFORTH PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS (Cont)
Year ended 30 April 2019

14. 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			541	206		
Balance at 1 May 2018	1,800	1,800	541	206	2,341	2,006
Members' remuneration charged as an expense			12,135	12,140	12,135	12,140
Members' interests after profit for the financial year	1,800	1,800	12,676	12,346	14,476	14,146
Introduced by members	-	-	-	-	-	-
Repayments of capital	-	-	-	-	-	-
Drawings			(12,179)	(12,179)	(12,179)	(12,179)
Amounts due to members			497	167		
Balance at 30 April 2019	1,800	1,800	497	167	2,297	1,967

The average number of members during the year was 7 (2018: 7). The profit allocation to the member with the largest entitlement was £2,428,000 (2018: £2,904,000).

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.

Loans and other debts due to members rank equally with debts due to other unsecured creditors in the event of a winding up.