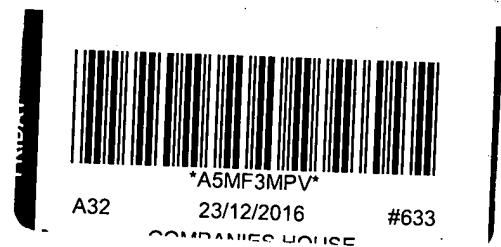


Egerton Capital Limited
Consolidated Report and Financial Statements
For the Year Ended 31 March 2016



Egerton Capital Limited

Company Information

Directors	J C Armitage G N Dawson J J Blumberg R Kanza
Registered number	02909193
Registered office	Stratton House 5 Stratton Street London W1J 8LA
Independent auditors	Ernst & Young LLP 25 Churchill Place London E14 5EY
Bankers	Barclays Bank plc London EC4Y 1ET HSBC Holdings plc 60 Queen Victoria Street London EC4N 4TR
Solicitors	Simmons & Simmons CityPoint 1 Ropemaker Street London EC2Y 9SS

Egerton Capital Limited

Contents

	Page
Group Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditors' Report	4 - 5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Company Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9 - 10
Company Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Financial Statements	13 - 27

Egerton Capital Limited

Group Strategic Report For the Year Ended 31 March 2016

Introduction

The directors present their group strategic report and the consolidated audited financial statements of Egerton Capital Limited (the "Company") and its subsidiary undertakings; Egerton Capital (UK) LLP (the "LLP"), Egerton Capital (US), LP (the "US LP") and Egerton Capital (US) GP, LLC (the "GP LLC") (collectively "the Group") for the year ended 31 March 2016.

Business review

The principal activity of the Company during the year was the provision of property and employment services to its subsidiary, Egerton Capital (UK) LLP. The principal activity of the Group during the year was the provision of investment management services. The LLP is regulated by the Financial Conduct Authority ("the FCA") and registered with the Securities and Exchange Commission.

The LLP incorporated Egerton Capital (US) GP, LLC, a subsidiary incorporated in the United States on 5 June 2015. This GP LLC acts as general partner to Egerton Capital (US), LP, an entity incorporated in the United States. Egerton Capital (US), LP was incorporated on 5 June 2015 and provides investment research and non-discretionary investment advisory services to the LLP.

The profit of the Group for the year, after taxation, amounted to £135,749,618 (2015 - £94,628,123).

Principal risks and uncertainties

The Group is committed to reviewing risks to its business on an ongoing basis. The Group's principal risks and uncertainties are the performance of the funds managed by the LLP and the effect that poor performance has on attracting and retaining investors, the tax and regulatory regimes in which the group operate and attracting and retaining the services of key investment personnel. The Group operates systems and controls to mitigate the range of risks that it faces, including a risk register covering all business and operational risk which is reviewed on a regular basis and a comprehensive business continuity plan. The Group is not exposed to any significant price, credit, liquidity, cash flow or operational risk.

Key performance indicators

The Company's activities relate directly to those of its subsidiary, Egerton Capital (UK) LLP, and its key performance indicators are therefore linked to those of the subsidiary. These relate to the performance of the funds managed and the growth of funds under management. Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 4th August 2016 and signed on its behalf.



J J Blumberg
Director

Egerton Capital Limited

**Directors' Report
For the Year Ended 31 March 2016**

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

Results and dividends

The Group profit for the year, after taxation, amounted to £135,749,618 (2015 - £94,628,123).

The directors do not recommend the payment of a dividend (2015 - £nil).

Directors

The directors who served during the year and up to the date of this report were:

J C Armitage
G N Dawson
J J Blumberg
R Kanza

Going concern

The Group has sufficient liquid resources and the business has ongoing investment management contracts. The directors therefore believe that the Group has sufficient financial resources to meet its obligations and liabilities as they fall due and to continue in operational existence for the foreseeable future, being a period of 12 months from the date of this report.

After carrying out sensitivity analysis, the directors believe that the Group is well placed to manage its business risks successfully in the current economic climate. Accordingly, they adopt the going concern basis in preparing the annual report and consolidated financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 4th August 2016 and signed on its behalf.

J J Blumberg

J J Blumberg
Director

**Directors' Responsibilities Statement
For the Year Ended 31 March 2016**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors 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 Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Shareholders of Egerton Capital Limited

We have audited the financial statements of Egerton Capital Limited for the year ended 31 March 2016, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 22. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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, 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 Group Strategic Report and the Directors' 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 March 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, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Egerton Capital Limited

Independent Auditors' Report to the Shareholders of Egerton Capital Limited

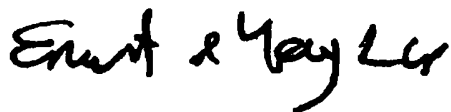
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

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.



Ashley Coups (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP

25 Churchill Place
London
E14 5EY
Date:

11 August 2016

Egerton Capital Limited

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2016**

	Note	2016 £	2015 £
Turnover	3	145,199,288	105,167,009
Administrative expenses		(9,850,674)	(10,870,755)
Other operating income	4	349,787	132,088
Fair value movements		85,147	316,345
Operating profit	5	135,783,548	94,744,687
Interest receivable and similar income	8	11,323	1,911
Profit before taxation		135,794,871	94,746,598
Tax on profit	9	(45,253)	(118,475)
Profit for the year		<u>135,749,618</u>	<u>94,628,123</u>
Currency translation differences		238,039	-
Other comprehensive income for the year		238,039	-
Total comprehensive income for the year		<u>135,987,657</u>	<u>94,628,123</u>
Profit for the year attributable to:			
Non-controlling interests		135,559,661	94,182,227
Owners of the parent Company		189,957	445,896
		<u>135,749,618</u>	<u>94,628,123</u>
Total comprehensive income attributable to:			
Non-controlling interest		135,559,661	94,182,227
Owners of the parent Company		427,996	445,896
		<u>135,987,657</u>	<u>94,628,123</u>

The notes on pages 13 to 27 form part of these financial statements.

Egerton Capital Limited

**Consolidated Statement of Financial Position
As at 31 March 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible fixed assets	11	588,935	1,026,494
Investments	12	1,634,901	1,549,754
		<u>2,223,836</u>	<u>2,576,248</u>
Current assets			
Debtors: amounts falling due within one year	13	11,143,435	11,595,268
Cash at bank and in hand	14	17,650,484	6,642,807
		<u>28,793,919</u>	<u>18,238,075</u>
Creditors: amounts falling due within one year	15	(1,525,510)	(1,735,822)
Net current assets		<u>27,268,409</u>	<u>16,502,253</u>
Net assets		<u>29,492,245</u>	<u>19,078,501</u>
Capital and reserves			
Called up share capital	18	750,000	750,000
Translation reserve		238,039	-
Retained earnings		7,293,382	7,103,425
Equity attributable to owners of the parent Company		<u>8,281,421</u>	<u>7,853,425</u>
Non-controlling interests		21,210,824	11,225,076
		<u>29,492,245</u>	<u>19,078,501</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4th August 2016

J J Blumberg

J J Blumberg
Director

The notes on pages 13 to 27 form part of these financial statements.

Egerton Capital Limited

**Company Statement of Financial Position
As at 31 March 2016**

	Note	2016 £	2015 £
Fixed assets			
Investments	12	6,664,505	6,569,358
		<u>6,664,505</u>	<u>6,569,358</u>
Current assets			
Debtors: amounts falling due within one year	13	1,576,816	1,675,540
Cash at bank and in hand	14	2,202,146	999,235
		<u>3,778,962</u>	<u>2,674,775</u>
Creditors: amounts falling due within one year	15	(2,400,085)	(1,390,708)
Net current assets		<u>1,378,877</u>	<u>1,284,067</u>
Net assets		<u><u>8,043,382</u></u>	<u><u>7,853,425</u></u>
Capital and reserves			
Called up share capital	18	750,000	750,000
Retained earnings		<u>7,293,382</u>	<u>7,103,425</u>
		<u><u>8,043,382</u></u>	<u><u>7,853,425</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4th August 2016

J J Blumberg

J J Blumberg
Director

The notes on pages 13 to 27 form part of these financial statements.

Egerton Capital Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2016**

	Share capital	Translation reserve	Retained earnings	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2015	750,000	-	7,103,425	7,853,425	11,225,076	19,078,501
Profit for the year	-	-	189,957	189,957	135,559,661	135,749,618
Currency translation differences	-	238,039	-	238,039	-	238,039
Total comprehensive income for the year	-	238,039	189,957	427,996	135,559,661	135,987,657
Payments to non-controlling interests	-	-	-	-	(125,583,914)	(125,583,914)
Capital contributions by non-controlling interests	-	-	-	-	40,001	40,001
Capital repaid to non-controlling interests	-	-	-	-	(30,000)	(30,000)
At 31 March 2016	750,000	238,039	7,293,382	8,281,421	21,210,824	29,492,245

The notes on pages 13 to 27 form part of these financial statements.

Egerton Capital Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2015**

	Share capital	Retained earnings	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£
At 1 April 2014	750,000	6,657,529	7,407,529	8,588,059	15,995,588
Profit for the year	-	445,896	445,896	94,182,227	94,628,123
Total comprehensive income for the year	-	445,896	445,896	94,182,227	94,628,123
Payments to non-controlling interests	-	-	-	(91,575,210)	(91,575,210)
Capital contributions by non-controlling interests	-	-	-	50,000	50,000
Capital repaid to non-controlling interests	-	-	-	(20,000)	(20,000)
At 31 March 2015	<u>750,000</u>	<u>7,103,425</u>	<u>7,853,425</u>	<u>11,225,076</u>	<u>19,078,501</u>

The notes on pages 13 to 27 form part of these financial statements.

Egerton Capital Limited

**Company Statement of Changes in Equity
For the Year Ended 31 March 2016**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	750,000	7,103,425	7,853,425
Total comprehensive income for the year	-	189,957	189,957
At 31 March 2016	<u>750,000</u>	<u>7,293,382</u>	<u>8,043,382</u>

**Company Statement of Changes in Equity
For the Year Ended 31 March 2015**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	750,000	6,657,529	7,407,529
Total comprehensive income for the year	-	445,896	445,896
At 31 March 2015	<u>750,000</u>	<u>7,103,425</u>	<u>7,853,425</u>

The notes on pages 13 to 27 form part of these financial statements.

Egerton Capital Limited

**Consolidated Statement of Cash Flows
For the Year Ended 31 March 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	135,749,618	94,628,123
Adjustments for:		
Depreciation of tangible fixed assets	587,784	564,728
Loss on disposal of tangible fixed assets	308	-
Interest received	(11,323)	(1,911)
Taxation	45,253	118,475
Increase in debtors	451,662	(2,168,067)
Increase in creditors	(164,416)	(2,685,829)
Net fair value gains recognised in P&L	(85,147)	(316,345)
Corporation tax paid	(90,978)	(585,750)
Net cash generated from operating activities	136,482,761	89,553,424
Cash flows from investing activities		
Purchase of tangible fixed assets	(150,879)	(475,510)
Sale of tangible fixed assets	333	-
Sale of investments	-	1,000
Interest received	11,323	1,911
Net cash used in investing activities	(139,223)	(472,599)
Cash flows from financing activities		
Transactions with non-controlling interests	(125,573,913)	(91,545,210)
Net cash used in financing activities	(125,573,913)	(91,545,210)
Net Increase / (decrease) in cash and cash equivalents	10,769,625	(2,464,385)
Cash and cash equivalents at beginning of year	6,642,807	9,107,192
Foreign exchange gains and losses	238,052	-
Cash and cash equivalents at the end of year	17,650,484	6,642,807
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	17,650,484	6,642,807
	<u>17,650,484</u>	<u>6,642,807</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

1. General information

Egerton Capital Limited is a limited liability company registered in England. The registered office is Stratton House, 5 Stratton Street, London, W1J 8LA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The Financial Reporting Council has issued a revised suite of Financial Reporting Standards to be applied to entities domiciled in the United Kingdom for financial reporting periods commencing on or after 1 January 2015. Therefore, for the current financial year, the consolidated financial statements of the Group have been prepared for the first time in accordance with FRS 102. This standard replaces all extant UK GAAP financial reporting standards previously applied by the Group.

In accordance with the transition provisions of FRS 102, all comparable information presented in these financial statements has also been prepared in accordance with FRS 102. FRS 102 requires the Group to explain how the transition from previous UK GAAP to FRS 102 has impacted the financial position and financial performance reported in previous financial statements, which is set out in note 22.

The preparation of financial statements in compliance with FRS 102 requires management to exercise judgment in applying the entity's accounting policies although management have not had to exercise a significant degree of judgement in applying the accounting policies.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Egerton Capital Limited and its subsidiaries; Egerton Capital (UK) LLP, Egerton Capital (US) GP, LLC and Egerton Capital (US), LP, ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is British Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income within administrative expenses.

2.4 Turnover and revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable net of rebates, excluding value added tax and other sales taxes.

Fees, and rebates on those fees, are recognised when the Group obtains the right for consideration in exchange for its performance of services.

2.5 Expenses

Expenses incurred have been recognised on an accruals basis.

2.6 Operating leases

Operating leases are those leases where the Company has use of an asset but where significantly all risks and rewards of ownership remain with the lessor and the lease term is not expected to be a significant portion of the useful life of the asset.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease. Any incentives to enter into an operating lease are credited to the Statement of Comprehensive Income as a reduction of the rental expense on a straight line basis over the term of the lease.

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

2. Accounting policies (continued)

2.7 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

2. Accounting policies (continued)

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets measured at fair value through profit and loss, are initially measured at transaction price. The fair value is reassessed at the end of each reporting period, any gains or losses on remeasurement are recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over the term of the lease
Furniture	- over 5 years
Office equipment	- over 3 years
Computer and telephone equipment	- over 3 years
Paintings (included within furniture)	are not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Statement of Comprehensive Income.

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

2. Accounting policies (continued)**2.12 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to fair value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Turnover

Turnover is attributable to one continuing activity, the provision of investment management services.

Analysis of turnover by country of destination:

	2016 £	2015 £
British Virgin Islands	40,759,463	27,076,096
Europe	65,054,872	51,968,396
Cayman Islands	1,871,232	1,386,647
Delaware	37,513,721	24,735,870
	<u>145,199,288</u>	<u>105,167,009</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

4. Other operating income

	2016 £	2015 £
Sublease income receivable	349,787	132,088
	<u>349,787</u>	<u>132,088</u>

5. Operating profit

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

	2016 £	2015 £
Depreciation of tangible fixed assets	587,784	564,728
Loss on disposal of tangible fixed assets	308	-
Auditor's remuneration:		
- fees payable to auditor for audit of financial statements	37,000	36,960
- fees payable for other services - tax services	54,500	21,986
Exchange differences	(395,025)	(417,898)
Other operating lease rentals	1,099,681	1,072,580
Defined contribution pension cost	<u>116,493</u>	<u>129,754</u>

6. Employees

Staff costs, excluding directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	2,265,115	3,623,490
Social security costs	292,588	460,548
Pension costs	116,493	129,754
	<u>2,674,196</u>	<u>4,213,792</u>

The average monthly number of employees, excluding the directors, during the year was as follows:

	2016 No.	2015 No.
Fund management	1	2
Administration	21	24
	<u>22</u>	<u>26</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

7. Directors' remuneration

Remuneration paid to directors in respect of services to the Company are treated as administrative expenses in the consolidated financial statements. Remuneration and profit distributions paid to directors in their capacity as members of Egerton Capital (UK) LLP are classified as distributions to minority interests in the consolidated financial statements.

	2016 £	2015 £
Directors' emoluments	60,000	50,000
	<u>60,000</u>	<u>50,000</u>

No contributions were made to the money purchase pension scheme on behalf of directors (2015 - nil).

8. Interest receivable

	2016 £	2015 £
Bank interest receivable	11,323	1,911
	<u>11,323</u>	<u>1,911</u>

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	48,075	118,466
Adjustments in respect of previous periods	(2,993)	-
	<u>45,082</u>	<u>118,466</u>
Total current tax	<u>45,082</u>	<u>118,466</u>
Deferred tax		
Origination of timing differences	154	-
Effects of changes in tax rate on opening liability	17	-
Adjustments in respect of prior years	-	9
	<u>171</u>	<u>9</u>
Total deferred tax	<u>171</u>	<u>9</u>
Taxation on profit on ordinary activities	<u>45,253</u>	<u>118,475</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

9. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>135,794,871</u>	<u>94,756,674</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	27,158,974	19,898,902
Effects of:		
Adjustments for minority interests	(27,111,932)	(19,780,384)
Disallowed expenses and non-taxable income	1,204	294
Origination and reversal of timing differences	(17)	(180)
Effects of changes in tax rates	17	-
Marginal relief	-	(166)
Adjustments in respect of prior years	(2,993)	9
Total tax charge for the year	<u>45,253</u>	<u>118,475</u>

Factors that may affect future tax charges

The company has an unrecognised deferred tax asset in respect of capital losses carried forward of £27,604 (2015 - £27,604). The asset is not recognised as it is not considered more likely than not that there will be suitable taxable profits in the future against which the asset can be offset.

The Government previously announced its intention to reduce the main corporation tax rate to 20% from 1 April 2015, then 19% from 1 April 2017 and then to 18% from 1 April 2020. The announced rate reductions to 18% by 1 April 2020 have been substantively enacted by the balance sheet date and have been reflected above where appropriate.

10. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £189,957 (2015 - £445,896).

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

11. Tangible fixed assets**Group**

	Fixtures and fittings £	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
Cost or valuation					
At 1 April 2015	479,047	22,763	841,858	1,256,797	2,600,465
Additions	14,409	-	66,192	70,278	150,879
Disposals	-	(1,649)	-	-	(1,649)
At 31 March 2016	<u>493,456</u>	<u>21,114</u>	<u>908,050</u>	<u>1,327,075</u>	<u>2,749,695</u>
Depreciation					
At 1 April 2015	227,208	10,073	658,241	678,449	1,573,971
Charge owned for the period	92,521	6,484	113,491	375,288	587,784
Disposals	-	(1,008)	-	-	(1,008)
Exchange adjustments	-	-	13	-	13
At 31 March 2016	<u>319,729</u>	<u>15,549</u>	<u>771,745</u>	<u>1,053,737</u>	<u>2,160,760</u>
Net book value					
At 31 March 2016	<u>173,727</u>	<u>5,565</u>	<u>136,305</u>	<u>273,338</u>	<u>588,935</u>
At 31 March 2015	<u>251,839</u>	<u>12,690</u>	<u>183,617</u>	<u>578,348</u>	<u>1,026,494</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

12. Fixed asset investments**Group****Cost or valuation**

	Unlisted investments £
At 1 April 2015	1,549,754
Fair value remeasurement	85,147
At 31 March 2016	<u>1,634,901</u>

Unlisted investments comprise the Company's investment in Egerton Capital Partners, L.P ("ECP") which is measured at fair value through profit and loss. Fair value is based on the valuation provided the shares in ECP by the fund administrators. The Company's investment is exposed to market risks as ECP trades in markets and the investment is held in US Dollars and the valuation will be affected by the strengthening or weakening of this currency.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Egerton Capital (UK) LLP	United Kingdom	Capital	81 %	Provision of investment management services.
Egerton Capital (US) GP, LLC	United States	Ordinary	0 %	To act as corporate partner to Egerton Capital (US), LP.
Egerton Capital (US), LP	United States	Capital	0 %	Provision of investment research and non-discretionary advisory services.

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of capital and reserves £	Profit £
Egerton Capital (UK) LLP	5,229,604	127,406,278
Egerton Capital (US) GP, LLC	10,014	1,646
Egerton Capital (US), LP	7,224,634	8,375,933
	<u>12,464,252</u>	<u>135,783,857</u>

Egerton Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2016

12. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2015	5,019,604	1,549,754	6,569,358
Additions	10,000	-	10,000
Fair value remeasurement	-	85,147	85,147
At 31 March 2016	<u>5,029,604</u>	<u>1,634,901</u>	<u>6,664,505</u>

13. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	90,270	61,419	87,753	61,419
Amounts owed by group undertakings	190,273	54,545	-	152,255
Other debtors	326,365	291,701	135,944	131,049
Unpaid share capital	500,000	500,000	500,000	500,000
Prepayments and accrued income	10,036,526	10,687,432	853,118	830,646
Deferred taxation	-	171	-	171
	<u>11,143,434</u>	<u>11,595,268</u>	<u>1,576,815</u>	<u>1,675,540</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

14. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	12,141,760	6,642,807	2,202,146	999,235
Short term deposits	5,508,724	-	-	-
	<u>17,650,484</u>	<u>6,642,807</u>	<u>2,202,146</u>	<u>999,235</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

15. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	578,216	616,337	462,396	513,135
Amounts owed to group undertakings	-	-	1,288,735	-
Corporation tax	84,955	130,851	84,955	130,851
Taxation and social security	62,825	22,346	62,825	22,346
Other creditors	133,279	109,806	17,040	19,448
Accruals and deferred income	666,235	856,482	484,134	704,928
	<u>1,525,510</u>	<u>1,735,822</u>	<u>2,400,085</u>	<u>1,390,708</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

16. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets measured at fair value through profit or loss	19,285,385	8,192,561	3,837,047	2,548,989
Financial assets that are equity instruments measured at cost less impairment	-	-	5,029,604	5,019,604
Financial assets that are debt instruments measured at amortised cost	8,912,219	9,351,441	225,253	344,723
	<u>28,197,604</u>	<u>17,544,002</u>	<u>9,091,904</u>	<u>7,913,316</u>

Financial liabilities

Financial liabilities measured at amortised cost	(1,308,247)	(1,533,112)	(2,182,822)	(1,187,998)
	<u>(1,308,247)</u>	<u>(1,533,112)</u>	<u>(2,182,822)</u>	<u>(1,187,998)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents and unlisted investments in Egerton Capital Partners L.P.

Financial assets measured at amortised cost comprise debtors as stated in note 13 excluding prepayments, unpaid share capital and deferred taxation.

Financial Liabilities measured at amortised cost comprise creditors as stated in note 15 excluding taxation and social security, corporation tax and deferred income.

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

17. Deferred taxation**Group and Company**

	Deferred tax £
At 1 April 2015	171
Origination of timing differences	(154)
Effects of changes in tax rate on opening liability	(17)
At 31 March 2016	-

The deferred tax asset is made up as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Timing differences	-	171	-	171
	<u>-</u>	<u>171</u>	<u>-</u>	<u>171</u>

18. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
250,000- Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and unpaid		
500,000- Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

19. Commitments under operating leases

At 31 March 2016 the Group and the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Not later than 1 year	873,970	1,176,560	873,970	1,176,560
Later than 1 year and not later than 5 years	-	863,549	-	863,549
Total	873,970	2,040,109	873,970	2,040,109

20. Related party transactions

The Company provides its subsidiary undertaking, Egerton Capital (UK) LLP with employment and property services. The Company also receives profit allocations from the LLP. During the year, fees charged by the Company to the LLP amounted to £4,348,169 (2015 - £6,172,775). The Company received profit allocations amounting to £217,408 (2015 - £308,639) in the year. As at 31 March 2016, £1,288,735 was due to the LLP (2015 - £152,255 due from the LLP).

During the year, Egerton Capital International Limited (ECIL), a company under common control registered in the British Virgin Islands, as the Investment Manager is licensed to provide management services to, Egerton Long Short Master Fund Limited and Egerton Investments Partners L.P.

The LLP has a delegation agreement with ECIL whereby the fees for the funds are receivable by ECIL and directly payable to the LLP in full. The LLP also manages Egerton Capital Equity Fund plc, SMT Egerton Sterling Investment Fund, Schroder GAIA Egerton Equity, Egerton ELS Master Fund Ltd, Egerton ELS Fund Ltd and Egerton ELS Fund LP.

Fees receivable from the funds for the year amounted to £145,199,288 (2015 - £105,167,009) of which £78,227,694 (2015 - £51,777,755) was receivable from ECIL. At the Statement of Financial Position date £3,905,088 (2015 - £3,936,707) was due from ECIL, which is included in prepayments and accrued income in debtors (see note 9). During the year ECIL recharged expenses of £13,287 (2015 - £14,126) for administration services that the Group utilised to conduct its principal activity. These fees were offset by funding provided by the Group to ECIL. At 31 March 2016, £190,273 (2015 - £54,545) was due from ECIL to the Group.

21. Controlling party

The ultimate controlling parties of the Group and Company are J C Armitage and W G Bollinger.

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

22. Transition to FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2014

		Group £	Company £
Equity at 1 April 2014 under previous UK GAAP		6,448,269	6,448,269
Remeasurement of investment	1	1,193,106	1,193,106
Taxation adjustments	2	(233,846)	(233,846)
Equity shareholders funds at 1 April 2014 under FRS 102		<u>7,407,529</u>	<u>7,407,529</u>

Reconciliation of equity at 31 March 2015

		Group £	Company £
Equity at 1 April 2014 under previous UK GAAP	1	6,628,817	6,628,817
Remeasurement of investment	2	1,509,451	1,509,451
Taxation adjustments		(284,843)	(284,843)
Equity shareholders funds at 31 March 2015 under FRS 102		<u>7,853,425</u>	<u>7,853,425</u>

Reconciliation of profit and loss account for the year ended 31 March 2015

		Group £	Company £
Profit for the year under UK GAAP		94,362,775	180,548
Remeasurement of investment	1	316,345	316,345
Taxation adjustments	2	(50,997)	(50,997)
Profit for the year ended 31 March 2015 under FRS 102		<u>94,628,123</u>	<u>445,896</u>

Explanation of changes to previously reported profit and equity:

- 1 The Company holds an investment in Egerton Capital Partners, L.P. ("ECP"). Under the previous UK GAAP this investment was held at historical cost. As a fair value can be reliably determined the Company has remeasured the investment to its fair value as at 1 April 2014 and 31 March 2015. The gains on this fair value remeasurement for the year ended 31 March 2015 have been recognised in the Statement of Comprehensive Income.
- 2 The Company held a deferred tax asset in respect of timing differences on recognition of gains on the investment in ECP. These timing differences have been reversed following fair value remeasurement of the ECP investment resulting in a change to the taxation charge for the period prior to 1 April 2014 and the year ended 31 March 2015.