

Egerton Capital Limited
Consolidated Report and Financial Statements
For the Year Ended 31 March 2017

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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
Solicitors	Simmons & Simmons CityPoint 1 Ropemaker Street London EC2Y 9SS

Egerton Capital Limited

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Egerton Capital Limited

Group Strategic Report For the Year Ended 31 March 2017

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 2017.

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.

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

The profit of the Group for the year, after taxation, amounted to £106,188,730 (2016 - £135,749,618).

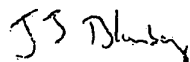
Principal risks and uncertainties

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 22 September 2017 and signed on its behalf by



J J Blumberg
Director

Egerton Capital Limited

**Directors' Report
For the Year Ended 31 March 2017**

The directors present their report and the financial statements for the year ended 31 March 2017.

Results and dividends

The Group profit for the year, after taxation, amounted to £106,188,730 (2016 - £135,749,618).

The directors do not recommend the payment of a dividend (2016 - £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.

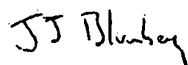
Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is 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 22 September 2017 and signed on its behalf by



J J Blumberg
Director

**Directors' Responsibilities Statement
For the Year Ended 31 March 2017**

The directors are responsible for preparing the Strategic report, Directors' report and the Group Financial Statements in accordance with applicable law and regulations.

UK 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 Company and the Group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- 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 and the Group'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.

Egerton Capital Limited

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 2017, 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 21. 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, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 Company's affairs as at 31 March 2017 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, based on the work undertaken in the course of the audit:

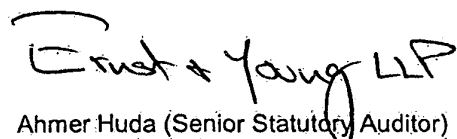
- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified any misstatements in the Strategic report or the Director's report.

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 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.


Ahmer Huda (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP
London

Date: 25 September 2017

Egerton Capital Limited

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2017**

	Note	2017 £	2016 £
Turnover	3	115,624,470	145,199,288
Administrative expenses		(10,133,812)	(9,850,674)
Other operating income	4	359,714	349,787
Fair value movements		449,306	85,147
Operating profit	5	<u>106,299,678</u>	<u>135,783,548</u>
Interest receivable and similar income	8	38,011	11,323
Profit before taxation		<u>106,337,689</u>	<u>135,794,871</u>
Tax on profit	9	(148,959)	(45,253)
Profit for the year		<u>106,188,730</u>	<u>135,749,618</u>
Currency translation differences		296,841	238,039
Other comprehensive income for the year		<u>296,841</u>	<u>238,039</u>
Total comprehensive income for the year		<u>106,485,571</u>	<u>135,987,657</u>
Profit for the year attributable to:			
Non-controlling interests		105,643,240	135,559,661
Owners of the parent Company		<u>545,490</u>	<u>189,957</u>
		<u>106,188,730</u>	<u>135,749,618</u>
Total comprehensive income attributable to:			
Non-controlling interest		105,643,240	135,559,661
Owners of the parent Company		<u>842,331</u>	<u>427,996</u>
		<u>106,485,571</u>	<u>135,987,657</u>

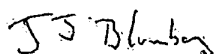
The notes on pages 13 to 26 form part of these financial statements.

Egerton Capital Limited

**Consolidated Statement of Financial Position
As at 31 March 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible fixed assets	11	299,980	588,935
Investments	12	2,084,207	1,634,901
		<u>2,384,187</u>	<u>2,223,836</u>
Current assets			
Debtors: amounts falling due within one year	13	14,994,713	11,143,435
Cash at bank and in hand	14	13,631,196	17,650,484
		<u>28,625,909</u>	<u>28,793,919</u>
Creditors: amounts falling due within one year	15	(1,604,776)	(1,525,510)
Net current assets		<u>27,021,133</u>	<u>27,268,409</u>
Net assets		<u>29,405,320</u>	<u>29,492,245</u>
Capital and reserves			
Called up share capital	17	750,000	750,000
Translation reserve		534,880	238,039
Retained earnings		<u>7,838,872</u>	<u>7,293,382</u>
Equity attributable to owners of the parent Company		<u>9,123,752</u>	<u>8,281,421</u>
Non-controlling interests		<u>20,281,568</u>	<u>21,210,824</u>
		<u>29,405,320</u>	<u>29,492,245</u>

The financial statements were approved and authorised for issue by the board on 22 September 2017 and were signed on its behalf by:



J J Blumberg
Director

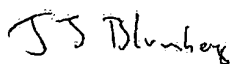
The notes on pages 13 to 26 form part of these financial statements.

Egerton Capital Limited

**Company Statement of Financial Position
As at 31 March 2017**

	Note	2017 £	2016 £
Fixed assets			
Investments	12	7,113,811	6,664,505
		<u>7,113,811</u>	<u>6,664,505</u>
Current assets			
Debtors: amounts falling due within one year	13	1,632,160	1,576,816
Cash at bank and in hand	14	1,745,643	2,202,146
		<u>3,377,803</u>	<u>3,778,962</u>
Creditors: amounts falling due within one year	15	(1,902,742)	(2,400,085)
Net current assets		<u>1,475,061</u>	<u>1,378,877</u>
Net assets		<u><u>8,588,872</u></u>	<u><u>8,043,382</u></u>
Capital and reserves			
Called up share capital	17	750,000	750,000
Retained earnings		<u>7,838,872</u>	<u>7,293,382</u>
		<u><u>8,588,872</u></u>	<u><u>8,043,382</u></u>

The financial statements were approved and authorised for issue by the board on 22 September 2017 and were signed on its behalf by:



J J Blumberg
Director

The notes on pages 13 to 26 form part of these financial statements.

Egerton Capital Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2017**

	Share capital	Translation reserve	Retained earnings	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2016	750,000	238,039	7,293,382	8,281,421	21,210,824	29,492,245
Profit for the year	-	-	545,490	545,490	105,643,240	106,188,730
Currency translation differences	-	296,841	-	296,841	-	296,841
Total comprehensive income for the year	-	296,841	545,490	842,331	105,643,240	106,485,571
Payments to non-controlling interests	-	-	-	-	(106,582,496)	(106,582,496)
Capital contributions by non-controlling interests	-	-	-	-	20,000	20,000
Capital repaid to non-controlling interests	-	-	-	-	(10,000)	(10,000)
At 31 March 2017	750,000	534,880	7,838,872	9,123,752	20,281,568	29,405,320

The notes on pages 13 to 26 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	<u>750,000</u>	<u>238,039</u>	<u>7,293,382</u>	<u>8,281,421</u>	<u>21,210,824</u>	<u>29,492,245</u>

The notes on pages 13 to 26 form part of these financial statements.

Egerton Capital Limited

**Company Statement of Changes in Equity
For the Year Ended 31 March 2017**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2016	750,000	7,293,382	8,043,382
Total comprehensive income for the year	-	545,490	545,490
At 31 March 2017	<u>750,000</u>	<u>7,838,872</u>	<u>8,588,872</u>

**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>

The notes on pages 13 to 26 form part of these financial statements.

Egerton Capital Limited

**Consolidated Statement of Cash Flows
For the Year Ended 31 March 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	106,188,730	135,749,618
Adjustments for:		
Depreciation of tangible fixed assets	473,179	587,784
Loss on disposal of tangible fixed assets	4,687	308
Interest received	(38,011)	(11,323)
Taxation	148,959	45,253
(Increase)/decrease in debtors	(3,851,278)	451,662
Increase/(decrease) in creditors	67,502	(164,416)
Net fair value gains recognised in P&L	(449,306)	(85,147)
Corporation tax paid	(136,657)	(90,978)
Net cash generated from operating activities	<u>102,407,805</u>	<u>136,482,761</u>
Cash flows from Investing activities		
Purchase of tangible fixed assets	(187,356)	(150,879)
Sale of tangible fixed assets	-	333
Interest received	37,473	11,323
Net cash used in Investing activities	<u>(149,883)</u>	<u>(139,223)</u>
Cash flows from financing activities		
Transactions with non-controlling interests	(106,572,496)	(125,573,913)
Net cash used in financing activities	<u>(106,572,496)</u>	<u>(125,573,91)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(4,314,574)</u>	<u>10,769,625</u>
Cash and cash equivalents at beginning of year	17,650,484	6,642,807
Foreign exchange gains and losses	295,286	238,052
Cash and cash equivalents at the end of year	<u>13,631,196</u>	<u>17,650,484</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,086,087	12,141,760
Short term deposits	9,545,109	5,508,724
	<u>13,631,196</u>	<u>17,650,484</u>

The notes on pages 13 to 26 form part of these financial statements.

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

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 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 2017

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 within the Statement of Comprehensive Income.

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 2017

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 2017

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.

Notes to the Financial Statements
For the Year Ended 31 March 2017

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.

2.16 Non-controlling interest

Non-controlling interests represent capital contributions made by the LLP members and profits attributable to those members. The capital amounts and profits are governed by the Members' Agreement.

3. Turnover

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

Analysis of turnover by country of destination:

	2017 £	2016 £
British Virgin Islands	21,428,604	40,759,463
Europe	57,889,856	65,054,872
Cayman Islands	695,476	1,871,232
Delaware	35,610,534	37,513,721
	<u>115,624,470</u>	<u>145,199,288</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

4. Other operating income

	2017 £	2016 £
Sublease income receivable	286,681	349,787
Profit allocations surrendered by former members of the LLP	73,033	-
	<u>359,714</u>	<u>349,787</u>

5. Operating profit

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

	2017 £	2016 £
Depreciation of tangible fixed assets	473,179	587,784
Loss on disposal of tangible fixed assets	4,687	308
Auditor's remuneration:		
- fees payable to auditor for audit of financial statements	37,000	37,000
- fees payable for other services - tax services	17,010	54,500
Exchange differences	(502,802)	(395,025)
Other operating lease rentals	1,150,478	1,099,681
Defined contribution pension cost	<u>125,916</u>	<u>116,493</u>

6. Employees

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

	2017 £	2016 £
Wages and salaries	2,621,389	2,265,115
Social security costs	307,888	292,588
Pension costs	125,916	116,493
	<u>3,055,193</u>	<u>2,674,196</u>

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

	2017 No.	2016 No.
Fund management	3	1
Administration	22	21
	<u>25</u>	<u>22</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

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.

	2017 £	2016 £
Directors' emoluments	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

No contributions were made to the money purchase pension scheme on behalf of directors (2016 - nil).

8. Interest receivable

	2017 £	2016 £
Bank interest receivable	37,473	11,323
Other interest receivable	538	-
	<u>38,011</u>	<u>11,323</u>

9. Taxation

	2017 £	2016 £
Corporation tax		
Current UK tax on profits for the year	139,308	48,075
Overseas taxation	9,467	
Adjustments in respect of previous periods	184	(2,993)
	<u>148,959</u>	<u>45,082</u>
Total current tax	<u>148,959</u>	<u>45,082</u>
Deferred tax		
Origination of timing differences	-	154
Effects of changes in tax rate on opening liability	-	17
Total deferred tax	<u>-</u>	<u>171</u>
Taxation on profit on ordinary activities	<u>148,959</u>	<u>45,253</u>

Notes to the Financial Statements
For the Year Ended 31 March 2017

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 21%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>106,337,689</u>	<u>135,794,871</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 – 20%)	21,267,538	27,158,974
Effects of:		
Adjustments for minority interests	(21,130,342)	(27,111,932)
Disallowed expenses and non-taxable income	2,292	1,204
Origination and reversal of timing differences	-	(17)
Effects of changes in tax rates	-	17
Profit subject to foreign taxation	(180)	-
Adjustments in respect of prior years	9,651	(2,993)
Total tax charge for the year	<u>148,959</u>	<u>45,253</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 (2016 - £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 UK Government legislated in the Finance (No.2) Act 2016, which received Royal Assent on 18 November 2016, to reduce the standard rate of UK corporation tax to 19% from 1 April 2017. The Government has announced a further reduction in the rate of corporation tax to 17% from 1 April 2020. The announced rate reductions to 17% 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 £545,490 (2016 - £189,957).

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

11. Tangible fixed assets**Group**

	Fixtures and fittings £	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
Cost or valuation					
At 1 April 2016	493,456	21,114	908,050	1,327,075	2,749,695
Additions	56,245	-	67,394	63,717	187,356
Disposals	(6,405)	-	-	-	(6,405)
Exchange adjustments	-	-	2,296	-	2,296
At 31 March 2017	543,296	21,114	977,740	1,390,792	2,932,942
Depreciation					
At 1 April 2016	319,729	15,549	771,745	1,053,737	2,160,760
Charge owned for the period	82,820	5,565	106,074	278,720	473,179
Disposals	(1,718)	-	-	-	(1,718)
Exchange adjustments	220	-	521	-	741
At 31 March 2017	401,051	21,114	878,340	1,332,457	2,632,962
Net book value					
At 31 March 2017	142,245	-	99,400	58,335	299,980
At 31 March 2016	173,727	5,565	136,305	273,338	588,935

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

12. Fixed asset investments**Group**

	Unlisted investments £
Cost or valuation	
At 1 April 2016	1,634,901
Fair value remeasurement	449,306
At 31 March 2017	<u>2,084,207</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 underlying Net Asset Value. 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	Member's Capital	79%	Provision of investment management services. Holder of 100% of the share capital of Egerton Capital (US) GP, LLC.
Egerton Capital (US) GP, LLC	United States	Ordinary	0%	To act as corporate partner to Egerton Capital (US), LP in which it owns 99.9%.
Egerton Capital (US), LP	United States	Partner's Capital	0%	Provision of investment research and non-discretionary advisory services.

The aggregate of the share capital and reserves as at 31 March 2017 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/(loss) £
Egerton Capital (UK) LLP	5,239,604	97,714,260
Egerton Capital (US) GP, LLC	1,369	(8,566)
Egerton Capital (US), LP	1,574,399	8,195,396
	<u>6,815,372</u>	<u>105,901,090</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

12. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2016	5,029,604	1,634,901	6,664,505
Fair value remeasurement	-	449,306	449,306
At 31 March 2017	<u>5,029,604</u>	<u>2,084,207</u>	<u>7,113,811</u>

13. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	89,036	90,270	89,036	87,753
Amounts owed by related undertakings	267,443	190,273	-	-
Other debtors	267,652	326,365	129,577	135,944
Unpaid share capital	500,000	500,000	500,000	500,000
Prepayments and accrued income	13,870,582	10,036,526	913,547	853,118
	<u>14,994,713</u>	<u>11,143,434</u>	<u>1,632,160</u>	<u>1,576,815</u>

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

14. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	4,086,087	12,141,760	1,745,643	2,202,146
Short term deposits	9,545,109	5,508,724	-	-
	<u>13,631,196</u>	<u>17,650,484</u>	<u>1,745,643</u>	<u>2,202,146</u>

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

15. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	603,254	578,216	502,593	462,396
Amounts owed to group undertakings	-	-	715,834	1,288,735
Corporation tax	96,719	84,955	96,719	84,955
Taxation and social security	76,735	62,825	76,735	62,825
Other creditors	133,412	133,279	16,081	17,040
Accruals and deferred income	694,656	666,235	494,780	484,134
	<u>1,604,776</u>	<u>1,525,510</u>	<u>1,902,742</u>	<u>2,400,085</u>

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

16. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at fair value through profit or loss	15,715,403	19,285,385	3,829,850	3,837,047
Financial assets that are equity instruments measured at cost less impairment	-	-	5,029,604	5,029,604
Financial assets that are debt instruments measured at amortised cost	12,544,159	8,912,219	220,127	225,253
	<u>28,259,562</u>	<u>28,197,604</u>	<u>9,079,581</u>	<u>9,091,904</u>

Financial liabilities

Financial liabilities measured at amortised cost	(1,359,564)	(1,308,247)	(1,657,530)	(2,182,822)
	<u>(1,359,564)</u>	<u>(1,308,247)</u>	<u>(1,657,530)</u>	<u>(2,182,822)</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 and unpaid share capital.

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 2017**

17. Share capital

	2017 £	2016 £
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>

18. Commitments under operating leases

At 31 March 2017 the Group and the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Not later than 1 year	1,189,118	873,970	1,176,560	873,970
Later than 1 year and not later than 5 years	4,212,085	-	4,212,085	-
Total	<u>5,401,203</u>	<u>873,970</u>	<u>5,388,645</u>	<u>873,970</u>

19. 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 £4,840,086 (2016: £4,348,169). The Company received profit allocations from the LLP amounting to £241,904 (2016: £217,408) in the year (respectively). As at 31 March 2017, £715,834 was due to the LLP (2016: £1,288,735 was due to 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 provides investment advice to Egerton Capital Equity Fund plc, 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 £115,624,470 (2016: £145,199,288) of which £56,978,231 (2016: £78,227,694) was receivable from ECIL. At the Statement of Financial Position date £5,251,359 (2016: £3,905,088) was due from ECIL, which is included in prepayments and accrued income in debtors (see note 13). During the year ECIL recharged expenses of £12,887 (2016: £13,287) for administration services that the Group utilised to conduct its principal activity. These fees were offset by funding provided by the Group to ECIL of £90,057 (2016: £149,015). At 31 March 2017, £267,443 (2016: £190,273) was due from ECIL to the Group.

Egerton Capital Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

21. Controlling party

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