

# **Rothmann & Cie. TEP UK 3 Limited**

## **Annual Report and Audited Financial Statements**

**Year ended 31 December 2015**

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## **Rothmann & Cie. TEP UK 3 Limited**

### **Company information**

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#### **Directors**

David Brown  
GFS Corporate Director Limited

#### **Secretary and registered office**

David Brown  
2 Station Court  
Borough Green  
Kent  
TN15 8AP

#### **Company number**

06288650

#### **Auditor**

KP Audit LLP (formerly Kinetic Partners Audit LLP)  
26 Finsbury Square  
London  
EC2A 1DS

## **Rothmann & Cie. TEP UK 3 Limited**

### **Report of the Directors for the year ended 31 December 2015**

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The Directors present their annual report and audited financial statements of Rothmann & Cie TEP UK 3 Limited ("the Company") for the year ended 31 December 2015

#### **Results and dividends**

The income statement on page 7 shows a profit after tax of £18,012 (2014 £19,929)

The Directors recommended the payment of a dividend for the year of £512 (2014 £37,500)

#### **Principal activities**

The Company's principal activity is to act as the General Partner to Rothmann & Cie TEP UK 3 Limited Partnership

#### **Going concern**

Rothmann & Cie TEP UK 3 Limited Partnership has on-going business activities involving the holding of endowment life policies for trading purposes and the Company's role as its General Partner is expected to continue. In addition, the Company has sufficient liquid resources and the Directors have a reasonable expectation that the Company has adequate resources to meet its liabilities as they fall due for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

#### **Directors**

The Directors of the Company during the year were

David Brown  
GFS Corporate Director Limited

#### **Auditors**

The auditor, KP Audit LLP (formerly Kinetic Partners Audit LLP), has indicated its willingness to continue in office and a resolution concerning its reappointment will be proposed at the next annual general meeting.

By order of the Board



**David Brown**  
**Secretary**

Date 12 April 2016

**Statement of Directors' responsibilities in respect of the financial statements**

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The Directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these 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 United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements

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

## **Independent auditor's report to the shareholder of Rothmann & Cie. TEP UK 3 Limited**

We have audited the financial statements of Rothmann and Cie TEP UK 3 Limited ("the Company") for the year ended 31 December 2015, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice applicable to small entities.

This report is made solely to the Company's shareholder, 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 shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' responsibilities set out on page 4, 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 (APB'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 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 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.

## **Independent auditor's report to the shareholder of Rothmann and Cie. TEP UK 3 Limited (continued)**

### **Opinion on the financial statements**

In our opinion the financial statements.

- give a true and fair view of the Company's affairs as at 31 December 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to small entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

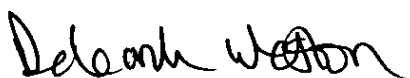
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which financial statements are prepared is consistent with the financial statements

### **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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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 or
- the Directors were not entitled to prepare financial statements in accordance with the small entities regime



Deborah Weston (Senior statutory auditor)

For and on behalf of KP Audit LLP, Statutory Auditor

26 Finsbury Square

London

EC2A 1DS

12 April 2016



**Rothmann & Cie. TEP UK 3 Limited**

**Income statement for the year ended 31 December 2015**

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		<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>1</b>	27,123	27,385
Administrative expenses		<u>(4,538)</u>	<u>(2,000)</u>
<b>Operating profit</b>	<b>2</b>	<u>22,585</u>	<u>25,385</u>
<b>Profit on ordinary activities before taxation</b>		22,585	25,385
Taxation	<b>4</b>	<u>(4,573)</u>	<u>(5,456)</u>
<b>Profit on ordinary activities after taxation</b>		<u>18,012</u>	<u>19,929</u>

All amounts relate to continuing activities

**Statement of other comprehensive income**

There were no items of other comprehensive income in the current or prior year other than the profit for the year shown above

The notes on pages 10 to 14 form part of these financial statements



**Rothmann & Cie. TEP UK 3 Limited****Statement of financial position as at 31 December 2015**

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		Year ended 31 December 2015		Year ended 31 December 2014	
	Note	£	£	£	£
<b>Fixed assets</b>					
Investments	5		10		10
<b>Current assets</b>					
Debtors	6	900		-	
Cash at bank		32,259		20,050	
<b>Creditors: amounts falling within one year</b>	7	(4,202)		(8,593)	
<b>Net current assets</b>			28,957		11,457
<b>Net assets</b>			28,967		11,467
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Profit and loss account	9		28,966		11,466
<b>Equity shareholder's funds</b>			28,967		11,467

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, Section 1A small entities, and the Companies Act 2006

The financial statements were approved by the Board on 12 April 2016



David Brown  
Director

The notes on pages 10 to 14 form part of these financial statements

**Rothmann & Cie. TEP UK 3 Limited**

**Statement of changes in equity as at 31 December 2015**

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2015	<u>1</u>	<u>11,466</u>	<u>11,467</u>
<b>Comprehensive income for the year</b>			
Profit for the year	-	18,012	18,012
Dividends		(512)	(512)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>28,966</u>	<u>28,966</u>
<b>At 31 December 2015</b>	<u><u>1</u></u>	<u><u>28,966</u></u>	<u><u>28,967</u></u>

The notes on pages 10 to 14 form part of these financial statements

**I Accounting policies**

**I.1 Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the requirements for small entities of Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, section 1A small entities and with the Companies Act 2006

FRS 102 has been adopted by the Company for the first time in these financial statements with a transition date of 1 January 2014. No changes to accounting policies have resulted from the transition to FRS 102 and there are no differences between equity under the previously adopted UK GAAP and FRS 102 at the date of transition nor at the end of the comparative period. In addition, no differences in the profit for the year ended 31 December 2014 result from the adoption of FRS 102. Consequently a reconciliation showing the effect of adopting FRS 102 as required by that standard is not presented.

The following principal accounting policies have been applied

**I.2 Consolidated financial statements**

The Company has a subsidiary, Rothmann & Cie TEP UK 3 Limited Partnership but is exempt under from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small Group. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

**I.3 Turnover**

Turnover represents fees receivable in respect of the Company's principal activity as General Partner to Rothmann & Cie TEP UK 3 Limited Partnership.

Turnover is recognised on an accruals basis only when the services have been performed and all the following conditions are satisfied:

- the amount of revenue can be reliably measured, and
- it is probable that the Company will receive the consideration due under contractual entitlement.

**I.4 Taxation**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the asset and liability crystallises and are not discounted.

### **1.5 Going Concern**

Rothmann & Cie TEP UK 3 Limited Partnership has on-going business activities involving the holding of endowment life policies for trading purposes and the Company's role as its General Partner is expected to continue. In addition, the Company has sufficient liquid resources and the Directors have a reasonable expectation that the Company has adequate resources to meet its liabilities for the foreseeable future. Therefore these financial statements have been prepared on a going concern basis.

### **1.6 Financial instruments**

#### *Financial assets*

Financial assets are basic financial instruments and comprise investment in subsidiary, trade and other receivables and cash at bank. These assets are measured at cost less provision for any impairment.

Financial assets measured at cost are assessed for impairment at the balance sheet date and any impairment loss is recognised.

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

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

#### *Financial liabilities*

Financial liabilities are basic financial instruments and comprise trade and other payables measured at cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## **2 Operating profit**

Audit services are provided by KP Audit LLP (formerly Kinetic Partners Audit LLP), in the period to 5 January 2015 and taxation services by were provided by a related party of KP Audit LLP, Kinetic Partners LLP. Kinetic Partners LLP was acquired by Duff and Phelps on 5 January 2015. The audit and tax fees for the Company have been borne by the Partnership for the year ended 31 December 2015.

## **3 Directors' remuneration**

No remuneration was paid to the directors for their services to the Company (2014 nil).

**4 Taxation on profit on ordinary activities**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>UK Corporation tax</b>		
Profits for the year	4,573	5,456
	<u>4,573</u>	<u>5,456</u>
<b>Reconciliation of current tax charge for the year</b>		
Profit on ordinary activities before taxation	22,585	25,385
	<u>22,585</u>	<u>25,385</u>
Profit on ordinary activities at the standard rate of Corporation tax in the UK of 20% (2014 21%)	4,517	5,331
<b>Effects of:</b>		
Difference in corporation tax rate	56	125
	<u>56</u>	<u>125</u>
Current tax charge for the year	4,573	5,456
	<u>4,573</u>	<u>5,456</u>

**5 Investments**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Investments in Group Undertaking	10	10
	<u>10</u>	<u>10</u>

The investment represents less than 0.001% of the partners' capital in Rothmann & Cie TEP UK 3 Limited Partnership, whose principal place of business is 2, Station Court, Borough Green, Kent TN15 8AP. As its General Partner, the Company controls the Partnership and it is a subsidiary. The Partnership reported a profit for the financial year ended 31 December 2015 of £330,167 (2014 £330,886), and the aggregate of the balances on the partners' accounts at that date were £6,142,514 (2014 £6,139,349).

**6 Debtors: amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts due from subsidiary undertaking	-	-
	<u>-</u>	<u>-</u>

Amounts owed by the subsidiary undertaking is interest free and repayable on demand.

**7 Creditors: amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Other creditors	4,202	5,093
Amounts due to Partnership	-	3,500
	<u>4,202</u>	<u>8,593</u>

**8 Share capital**

	<b>Authorised</b>		<b>Allotted, Called up and Fully Paid</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Ordinary shares of £1 each	100,000	100,000	1	1

**9 Reconciliation of shareholder's funds and movement on reserves**

	<b>Share Capital</b>	<b>Profit &amp; Loss</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at the 1 January 2015	1	11,466	11,467
Profit for the year	-	18,012	18,012
Dividends paid (note 10)		(512)	(512)
<b>As at 31 December 2015</b>	<u>1</u>	<u>28,966</u>	<u>28,967</u>

**10 Ultimate parent company**

At 31 December 2015 the Company's immediate and ultimate parent company was Rothmann Trustfonds UK 3 Verwaltung GmbH, whose registered office is Normannenweg 2, 20537 Hamburg, Germany

A dividend of £512 was paid to the parent company during the year (2014 £37,500)

**11 Related party disclosures**

In the year, the Company provided General Partner services to Rothmann & Cie TEP UK 3 Limited Partnership, a Partnership in which the Company has a controlling interest. The value of the services provided in the year was £27,123 (2014 £27,385) The Company also reimbursed third party service provider fees incurred by Rothmann & Cie TEP UK 3 Limited Partnership of £27,618 (2014 £27,113)

At the year end, £nil (2014 £3,500) was due from Rothmann & Cie TEP UK 3 Limited Partnership

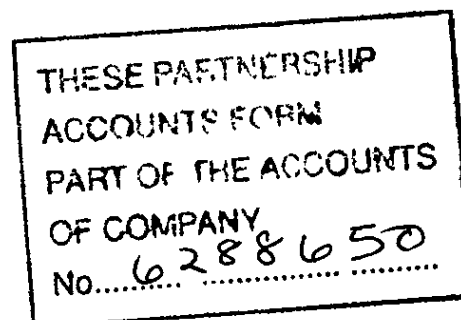
Mr Anthony Norris is also a Director of Gallium Fund Solutions Limited Gallium Fund Solutions Limited is Manager to Rothmann & Cie TEP UK 3 Limited Partnership

The Directors are David Brown and GFS Corporate Director Limited As disclosed in note 3, directors' remuneration is nil Key management personnel are David Brown and Mr Anthony Norris, a director of GFS Corporate Director Limited Mr Anthony Norris is also a Director of Gallium Fund Solutions Limited and Gallium Fund Solutions Limited is Manager to Rothmann & Cie TEP UK 3 Limited Partnership Mr Brown provides services to Gallium Fund Solutions Limited under a consultancy agreement and both gentlemen are remunerated for their services to Gallium Fund Solutions Limited and not for services to the Company or the Partnership

**Rothmann & Cie. TEP UK 3 Limited  
Partnership**

**Annual Report and Audited Financial Statements**

**Year ended 31 December 2015**



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## **Rothmann & Cie. TEP UK 3 Limited Partnership**

### **General Partner's Report**

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Rothmann & Cie TEP UK 3 Limited, as the General Partner, presents its annual report and audited financial statements of Rothmann & Cie TEP UK 3 Limited Partnership ("the Partnership") for the year ended 31 December 2015

#### **Business review and future developments**

In the year ended 31 December 2015, the Partnership continued the holding of UK endowment life policies for trading purposes. The results for the year are shown in the income statement on page 6

The Partnership made a profit for the year of £335,365 (2014 £330,886)

The statement of financial position as detailed on page 8 shows a satisfactory position. Net assets amount to £6,167,712 (2014 £6,139,349)

The Partnership funds the acquisition of UK endowment life policies held for trading by way of bank loans secured on the policies. Funding arrangements are currently with UniCredit AG and are renewable annually on 1 July

In addition, the Partnership is funded by capital contributions in accordance with the Limited Partnership agreement dated 9 November 2007

#### **Going concern**

The Partnership has sufficient liquid resources and current asset investments which are endowment life policies included at surrender value. The Partnership's borrowings are repayable in June 2016, but subject to renewal

It is expected that the Partnership will continue its trading activities and be able to meet its liabilities as they fall due for the foreseeable future. There are no material uncertainties that may cast doubt upon the Partnership's ability to continue as a going concern. Accordingly the General Partner considers it appropriate to prepare the financial statements on a going concern basis

#### **Advisors**

During the year ended 31 December 2015, Gallium Fund Solutions Limited continued to act as Manager to the Partnership. In addition IFG TEPPCo continued as administrators and Lane Clark & Peacock Ireland Limited as advising actuary to the General Partner in relation to the Partnership

#### **General Partner's responsibilities**

The General Partner is responsible for ensuring that an annual report and financial statements are prepared in accordance with the Limited Partnership Agreement and The Partnerships (Accounts) Regulations 2008 and United Kingdom Generally Accepted Accounting Practice

In accordance with the above requirements the General Partner will prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year. In preparing those financial statements, the General Partner is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

## **Rothmann & Cie. TEP UK 3 Limited Partnership**

### **General Partner's Report**

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business

The Directors of the General Partner confirm that they have complied with the above requirements during the year

The Directors of the General Partner acknowledge responsibility for keeping proper accounting records which reflect the financial position of the Partnership and enable it to produce financial statements that comply with The Partnerships (Accounts) Regulations 2008. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

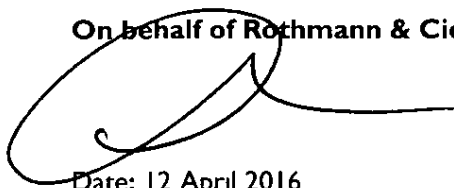
#### **Statement as to disclosure of information to auditor**

The Directors of the General Partner who held office at the date of approval of this General Partner's report confirm that, as far as they are aware, there is no relevant audit information of which the auditors are unaware and that each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that it has been communicated to the auditor

#### **Auditor**

The auditor, KP Audit LLP (formerly Kinetic Partners Audit LLP), has been appointed as auditor by the Directors of the General Partner. A motion to reappoint KP Audit LLP as the auditor will be proposed at a meeting of the General Partner

**On behalf of Rothmann & Cie. TEP UK 1 Limited**

A large, stylized handwritten signature in black ink, consisting of a large loop followed by a horizontal line.

Date: 12 April 2016

## **Independent auditor's report to the members of Rothmann & Cie. TEP UK 3 Limited Partnership**

We have audited the financial statements of Rothmann & Cie TEP UK 3 Limited Partnership ("the Partnership") for the year ended 31 December 2015, which comprise the statement of comprehensive income, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Partnership's partners in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership's partners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of General Partner and auditor**

As explained more fully in the General Partner's report set out on page 2, the General Partner is 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 (APB'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 Partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Partners, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the General Partner's 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.

## **Independent auditor's report to the members of Rothmann & Cie. TEP UK 3 Limited Partnership (continued)**

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied by the Partnerships (Accounts) Regulations 2008

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the General Partner's report for the financial year for which the financial statements are prepared is consistent with the financial statements

### **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 as applied to qualifying partnerships requires us to report to you if, in our opinion

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



Deborah Weston (Senior statutory auditor)

For and on behalf of KP Audit LLP, Statutory Auditor

26 Finsbury Square

London

EC2A 1DS

12 April 2016



**Rothmann & Cie. TEP UK 3 Limited Partnership**

**Statement of Comprehensive Income for the year ended 31 December 2015**

		Year ended 31 December 2015		Year ended 31 December 2014	
	Note	£	£	£	£
<b>Turnover</b>	3	3,153,336		2,726,285	
Cost of sales	4	(2,722,892)		(2,390,222)	
		<u>430,444</u>		<u>336,063</u>	
Movement in unrealised gain on endowment life policies measured at fair value through profit and loss		293,332		439,541	
Movement in unrealised gain on interest rate swap measured at fair value through profit and loss		25,198		-	
		<u>318,530</u>		<u>439,541</u>	
<b>Gross profit</b>		<b>748,974</b>		<b>775,604</b>	
Administrative expenses		204,387		190,220	
Interest payable on financial liability not measured at fair value through profit and loss		189,222		254,498	
		<u>(393,609)</u>		<u>(444,718)</u>	
<b>Profit for the year</b>	5	<b><u>355,365</u></b>		<b><u>330,886</u></b>	

All amounts relate to continuing activities

The notes on pages 11 to 19 form part of these financial statements

**Rothmann & Cie. TEP UK 3 Limited Partnership**

**Appropriation account for the year ended 31 December 2015**

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	Year ended 31 December 2015		Year ended 31 December 2014	
	Profit	Profit Share	Profit	Profit share
	%	£	%	£
Rothmann & Cie TEP UK I Limited	0 00008	-	0 00008	-
Rothmann & Cie Trustfonds UK I GmbH & Co KG	99 99992	355,365	99 99992	330,886
	100	355,365	100	330,886

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The notes on pages 11 to 19 form part of these financial statements

**Rothmann & Cie. TEP UK 3 Limited Partnership**

**Statement of financial position for the year ended 31 December 2015**

**Registered number: LP012267**

		Year ended 31 December 2015		Year ended 31 December 2014	
	Note	£	£	£	£
<b>Current assets</b>					
Financial assets held for trading	6	11,817,738		11,904,827	
Cash at bank		388,764		276,447	
Debtors	7	-		3,500	
		12,206,502		12,184,774	
<b>Creditors due within one year</b>	8	(6,038,790)		(6,045,425)	
<b>Net current assets</b>		6,167,712		6,139,349	
<b>Total assets less current liabilities</b>		6,167,712		6,139,349	
<b>Represented by</b>					
<b>Partners' Accounts</b>					
Partners' Current Accounts	9	(3,286,683)		(3,315,046)	
Partners' Capital Accounts	10	9,454,395		9,454,395	
		6,167,712		6,139,349	

The financial statements were approved by the General Partner on 12 April 2016

  
David Brown  
Director

Rothmann & Cie TEP UK Limited

  
Richard Cooney  
Director

GFS Corporate Director Limited

The notes on pages 11 to 19 form part of these financial statements



**Rothmann & Cie. TEP UK 3 Limited Partnership****Statement of cash flow for the year ended 31 December 2015**

	<b>Year ended 31 December 2015</b>	<b>Year ended 31 December 2014</b>
<b>Cash flows from operating activities</b>		
Profit for the year	355,365	330,886
Adjustments for		
Increase/(decrease) in trade creditors	(6,635)	4,823
(Increase)/decrease in trade receivables	3,500	(3,500)
(Increase)/decrease in current asset investments	87,089	830,863
<b>Net cash generated from operating activities</b>	<b>439,319</b>	<b>1,163,072</b>
<b>Cash flow from financing activities</b>		
Distributions	(327,002)	(309,978)
<b>Cash flow for the year</b>	<b>112,317</b>	<b>853,094</b>
<b>Opening cash and cash equivalents</b>	<b>276,447</b>	<b>423,353</b>
<b>Closing cash and cash equivalents</b>	<b>388,764</b>	<b>276,447</b>

**Rothmann & Cie. TEP UK 3 Limited Partnership****Statement of changes in equity as at 31 December 2015**

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	Capital	Profit and loss account	Total
	£	£	£
At 1 January 2015	9,454,395	(3,315,046)	6,139,349
Profit/(loss) for the year	-	355,365	355,365
Distributions	-	(327,002)	(327,002)
At 31 December 2015	<u>9,454,395</u>	<u>(3,286,683)</u>	<u>6,167,712</u>

The notes on pages 11 to 19 form part of these financial statements

**I Accounting policies**

**I.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and with the Companies Act 2006 as applied by the Partnership (Accounts) Regulations 2008

FRS 102 has been adopted by the Partnership for the first time in these financial statements with a transition date of 1 January 2014. FRS 26 was adopted in prior years with the result that current asset investments were measured at fair value through profit and loss. No changes to accounting policies have resulted from the transition to FRS 102 and there are no differences between equity under the previously adopted UK GAAP and FRS 102 at the date of transition nor at the end of the comparative period. In addition, no differences in the profit for the year ended 31 December 2014 result from the adoption of FRS 102. Consequently a reconciliation showing the effect of adopting FRS 102 as required by that standard is not presented.

The following principal accounting policies have been applied

**I.2 Turnover**

Turnover represents proceeds from maturities and sales endowment life policies

**I.3 Financial instruments**

*Financial assets*

Financial assets are basic financial instruments and comprise investment in subsidiary, trade and other receivables and cash at bank. These assets are measured at cost less provision for any impairment.

Financial assets measured at cost are assessed for impairment at the balance sheet date and any impairment loss is recognised.

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

The Partnership's other financial instruments comprise endowment life policies and interest rate swaps. These are initially recorded at transaction price and thereafter at fair value through profit and loss. Costs of acquisition are not included in transaction price but are charged as an expense in the statement of comprehensive income.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

*Financial liabilities*

The Partnership's financial liabilities comprise basic financial instruments and are trade creditors and accruals, bank loans and interest and balances with related parties. These are initially recognised at transaction price and thereafter at the amount of cash expected to be paid.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**1.4 Interest**

Interest payable at variable rates on the bank loan and amounts payable and receivable under the interest rate swap contract are reflected in the interest charge

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions about future outcomes that affect the amounts reported

The estimates and assumptions that have a significant risk of causing material misstatement relate to the carrying values of investments in endowment life policies. These policies are held at fair value through profit and loss and valued at their surrender value at the year-end date. Management make estimates and assumptions concerning their surrender value using information provided by the underlying life offices. Note 11 contains details of the valuation risks

**3. Turnover**

Turnover represents the proceeds of maturity and sale to outside customers of endowment life policies. For the year ended 31 December 2015, matured endowment policies totalled £3,153,336 (2014 £2,726,285)

**4. Cost of sales**

Cost of sales is the fair value of endowment life policies matured or sold

**5 Profit for the year**

	2015	2014
	£	£

Profit for the year is stated after charging

**Auditor's remuneration**

Audit services	15,500	15,500
Taxation services	9,400	9,400
Foreign exchange loss	28	20
	<hr/>	<hr/>

2015 audit and tax services include fees for Rothmann & Cie. TEP UK 1 Limited which are borne by the Partnership. Audit services were provided by KP Audit LLP (formerly Kinetic Partners Audit LLP) and taxation services by Kinetic Partners LLP in the period to 5 January 2015, and thereafter by Duff and Phelps Ltd which acquired Kinetic Partners LLP. Kinetic Partners LLP was a related party of KP Audit LLP in the period to 5 January 2015

**Rothmann & Cie. TEP UK 3 Limited Partnership****Notes to the financial statements for the year ended 31 December 2015 (continued)****6 Investments**

	2015	2014
	£	£
Endowment life policies	11,792,540	11,904,827
Interest rate swap contracts	25,198	
	<u>11,817,738</u>	<u>11,904,827</u>

In the prior year financial statements the fair value of interest rate swaps of £8,432 was disclosed in a note but not reflected in the statement of financial position or statement of comprehensive income. The omission was not material.

**7 Debtors**

	2015	2014
	£	£
Due from related party	-	3,500
	<u>-</u>	<u>3,500</u>

**8 Creditors due within one year**

	2015	2014
	£	£
Bank loans	6,000,000	6,000,000
Due to related party	900	-
Accruals	37,890	45,425
	<u>6,038,790</u>	<u>6,045,425</u>

The Partnership has a fully drawn loan facility of £6,000,000 (2014: £6,000,000) with UniCredit AG which is renewable annually on 1 July. The loans are secured on the Partnership's holding of endowment life policies.

The Partnership paid interest charges of £163,420 (2014: £231,980) on the loans during the year ended 31 December 2015. Interest payable amounted to £nil (2014: £640) at the year end.

The Partnership has entered into an interest rate swap contract to effect a fixed rate of interest over the term of the loan.

# **Rothmann & Cie. TEP UK 3 Limited Partnership**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **9 Partners' current accounts**

	<b>Rothmann &amp; Cie. TEP UK I Limited £</b>	<b>Rothmann &amp; Cie. Trustfonds UK I GmbH &amp; Co KG £</b>	<b>Total £</b>
Share of loss at 1 January 2015	(3)	(3,315,043)	(3,315,046)
Share of profit for the year	-	355,365	355,365
Distribution	-	(327,002)	(327,002)
Movements in the financial year	-	28,363	28,363
At 31 December 2015	(3)	3,286,680	3,286,683

### **10 Partners' capital accounts**

	<b>Rothmann &amp; Cie. TEP UK I Limited £</b>	<b>Rothmann &amp; Cie. Trustfonds UK I GmbH &amp; Co KG £</b>	<b>Total £</b>
Capital at 1 January 2015	10	9,454,385	9,454,395
Capital introduced in the year	-	-	-
At 31 December 2015	10	9,454,385	9,454,395

## **11 Financial risk management**

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. These valuations are monitored by the General Partner in consultation with the administrator and qualified actuaries on a six monthly basis.

For financial instruments held at fair value in the Statement of Financial Position, the Partnership measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as active market data) or indirectly (that is, derived from active market data) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement of each class of financial instrument.

The determination of what constitutes 'observable' and assessing the significance of a particular input to the fair value measurement in its entirety requires significant judgement by the General Partner considering factors specific to the asset or liability. The Partnership considers observable to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The investments in endowment life policies represent the estimated fair value based on surrender values as notified by the underlying life offices. As the value is based on inputs other than quoted prices, the endowment life policies fall within the level 2 classification. Interest rate swaps are measured at fair value based on independent third party valuation and are classified as level 2.

The following table analyses within the fair value hierarchy the Partnership's financial assets and liabilities by level.

**Rothmann & Cie. TEP UK 3 Limited Partnership**

**Notes to the financial statements for the year ended 31 December 2015 (continued)**

**11 Financial risk management (continued)**

**Financial assets**

**As at 31 December 2015**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Endowment life policies	-	11,792,540	-	11,792,540
Interest rate swap		25,198		25,198
Cash	388,764	-	-	388,764
	<b>388,764</b>	<b>11,817,738</b>	<b>-</b>	<b>12,206,502</b>

**As at 31 December 2014**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Endowment life policies	-	11,904,827	-	11,904,827
Cash	276,447	-	-	276,447
	<b>276,447</b>	<b>11,904,827</b>	<b>-</b>	<b>12,181,274</b>

**Financial liabilities**

**As at 31 December 2015**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Liabilities</b>				
Bank loans	6,000,000	-	-	6,000,000
Accruals	38,890	-	-	38,890
	<b>6,038,890</b>	<b>-</b>	<b>-</b>	<b>6,038,890</b>

**As at 31 December 2014**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Bank loans	6,000,000	-	-	6,000,000
Accruals	45,425	-	-	45,425
	<b>6,045,425</b>	<b>-</b>	<b>-</b>	<b>6,045,425</b>



**11 Financial risk management (continued)**

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk in relation to cash at bank and counterparty and issuer risk which arises from exposure to life houses as issuer of endowment policies held by the Partnership. The General Partner aims to mitigate exposure to credit risk through use of a reputable bank and purchase of policies issued by reputable life houses. This is monitored by the General Partner in consultation with the administrator and qualified actuaries, with the review performed on a six monthly basis. The maximum exposure to credit risk at the balance sheet date is equal to the amounts included in the statement of financial position.

**Market price risk**

The surrender values of the underlying endowment policies are sourced from the issuing life houses and the Partnership is exposed to price risk. These valuations are in part dependent on the market performance and credit ratings of each associated life house. This is monitored by the General Partner in consultation with the administrator to the Partnership and qualified actuaries, with the review performed on a six monthly basis.

A 10% decline in the valuation of trading stocks held by the Limited Partnership would give rise to a loss of £1,179,240 or 19.2% of the equity of the Partnership.

**Foreign exchange risk**

The Partnership is not exposed to significant foreign exchange risk.

**Interest rate risk**

The Partnership is exposed to interest rate risk as a result of its bank borrowings at variable rate. The Partnership manages its exposure to interest rate risk on its bank loan of £6,000,000 (2014 £6,000,000) with UniCredit AG through an interest rate swap contract which has fixed the interest rate payable at 1.10% per annum until 30 June 2017. The value of the swap contract at 31 December 2015 was £25,918 (2014 £10,289).

**Liquidity risk**

The Partnership holds investments in endowment life policies, having a range of maturity dates. A risk arises that the Partnership may not be able to meet its loan repayment and other obligations from cash flows on the maturity of endowment life policies. This is monitored by the General Partner in consultation with the administrator to the Partnership and qualified actuaries, with the review performed on a six monthly basis. This risk is mitigated by the Partnership being closed ended, such that investors cannot require redemption, and funding arrangements secured with UniCredit AG being renewable annually. The Partnership may generate liquidity through sale of policies in advance of maturity. The General Partner would expect to be able to effect such sales at surrender value, being the basis of fair value measurement adopted in the financial statements.

11 Financial risk management (continued)

**Maturity analysis of financial assets at fair value through profit and loss  
as at 31 December 2015**

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Endowment life policies	1,522,464	3,137,092	5,842,498	1,290,486	11,792,540
Interest rate swap		25,198			25,198

**As at 31 December 2014**

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Endowment life policies	515,634	2,849,782	7,708,824	830,587	11,904,827
Interest rate swap		10,289			10,289

**Maturity analysis of financial liabilities  
as at 31 December 2015**

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Bank loans		6,000,000			6,000,000
Accruals	37,890				37,890
	<b>37,890</b>	<b>6,000,000</b>			<b>6,037,890</b>

**Maturity analysis of financial liabilities  
As at 31 December 2014**

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Bank loans		6,000,000			6,000,000
Accruals	45,425				45,425
	<b>45,425</b>	<b>6,000,000</b>			<b>6,045,425</b>

**Overall risk policy**

The General Partner's review of the market, credit and liquidity risks on a six monthly basis aims to ensure the Partnership's sustainability

**10 Related party disclosures**

The Partnership is controlled by its General Partner, Rothmann & Cie TEP UK 3 Limited, and the Partnership's ultimate parent company is Rothmann Trustfonds UK 3 Verwaltung GmbH, a company incorporated in Germany

During the year ended 31 December 2015, the Partnership incurred fees payable to Rothmann & Cie TEP UK 3 Limited of £23,900 (2014 £27,385) in respect of its services as General Partner, and also received a contribution to administrative expenses of £27,618 (2014 £26,998) from the General Partner. At 31 December 2015, the Partnership owed £0 (2014 £3,500) to the General Partner

GFS Corporate Director Limited is a Director of the General Partner and of Gallium Fund Solutions Limited. The Partnership incurred fees payable to Gallium Fund Solutions Limited in respect of manager and operator services of £46,310, including VAT (2014 £45,271)

The directors of the General Partner are David Brown and GFS Corporate Director Limited. Key management personnel are David Brown and Mr Anthony Norris, a director of GFS Corporate Director Limited. Mr Anthony Norris is also a Director of Gallium Fund Solutions Limited. Gallium Fund Solutions Limited is Manager to Rothmann & Cie TEP UK 3 Limited Partnership. Mr Brown provides services to Gallium Fund Solutions Limited under a consultancy agreement and both gentlemen are remunerated for their services to Gallium Fund Solutions Limited and not for services to the Partnership or its General Partner.